

**F/G 5/4**

MDA930-75-C-0225

PI-TR-298-VOL-2

NL

1 of 1  
204 050

END  
DATE  
FILMED  
10-8-1  
DTIC

LEVEL

20-71004

C

AD A104060

**PRESEARCH**  
INCORPORATED

DTIC  
ELECTE  
SEP 1 0 1981  
H

DTIC FILE COPY

DISTRIBUTION STATEMENT A  
Approved for public release;  
Distribution Unlimited

81 9 03 116

PRESEARCH INCORPORATED

①

DTIC  
ELECTE  
SEP 10 1981  
S H D

Technical Report No. 298

ANALYSIS AND EVALUATION OF POTENTIAL  
COMPETITION OF INTEREST AMONG THE  
MAJOR POWERS.

Volume II. Analysis of British and  
Japanese External Interests.

by

J. S./Breemer and M. E. Miller

30 April 1976

Prepared for  
Director, Special Regional Programs  
Office of the Assistant Secretary  
of Defense  
(Program Analysis and Evaluation)  
Under  
Contract No. MDA 930-75-C-0225

2361 South Jefferson Davis Highway  
Arlington, Virginia 22202

DISTRIBUTION STATEMENT A  
Approved for public release;  
Distribution unlimited

UNCLASSIFIED

SECURITY CLASSIFICATION OF THIS PAGE (When Data Entered)

REPORT DOCUMENTATION PAGE		READ INSTRUCTIONS BEFORE COMPLETING FORM
1. REPORT NUMBER	2. GOVT ACCESSION NO.	3. RECIPIENT'S CATALOG NUMBER
	AD-A104060	
4. TITLE (and Subtitle)		5. TYPE OF REPORT & PERIOD COVERED
Analysis and Evaluation of Potential Competition of Interest Among the Major Powers, Vol. II: Analysis of British and Japanese External Interests		Final Technical Report
7. AUTHOR(s)		6. PERFORMING ORG. REPORT NUMBER
J. S. Breemer and M. E. Miller		298
9. PERFORMING ORGANIZATION NAME AND ADDRESS		8. CONTRACT OR GRANT NUMBER(s)
Presearch Incorporated 2361 So. Jefferson Davis Highway Arlington, Va. 22202		MDA 930-75-C-0225
11. CONTROLLING OFFICE NAME AND ADDRESS		10. PROGRAM ELEMENT, PROJECT, TASK AREA & WORK UNIT NUMBERS
Director, Special Regional Studies Asst. Secretary of Defense (Program Analysis and Evaluation), Rm. 2D321, The Pentagon, Wash., D.C.		
14. MONITORING AGENCY NAME & ADDRESS (if different from Controlling Office)		12. REPORT DATE
Same		30 April 1976
		13. NUMBER OF PAGES
		74
		15. SECURITY CLASS. (of this report)
		UNCLASSIFIED
		15a. DECLASSIFICATION/DOWNGRADING SCHEDULE
16. DISTRIBUTION STATEMENT (of this Report)		
This document has been approved for public release; its distribution is unlimited.		
17. DISTRIBUTION STATEMENT (of the abstract entered in Block 20, if different from Report)		
18. SUPPLEMENTARY NOTES		
This is Volume II of 4 Volumes.		
19. KEY WORDS (Continue on reverse side if necessary and identify by block number)		
Factor Analysis; Involvement, National Interests		
20. ABSTRACT (Continue on reverse side if necessary and identify by block number)		
Vol. II examines the distribution of British and Japanese external interests worldwide. Quantitative measures of the two nations' economic, political, and military involvements were factor analyzed to examine the dimensionality of their interests.		

DD FORM 1473

1 JAN 73

EDITION OF 1 NOV 65 IS OBSOLETE

UNCLASSIFIED

SECURITY CLASSIFICATION OF THIS PAGE (When Data Entered)

PRESEARCH INCORPORATED

Accession For	
DTIS GRA&I	<input checked="checked" type="checkbox"/>
DDIC T'S	<input type="checkbox"/>
Unannounced	<input type="checkbox"/>
Justification	
By	
Distribution/	
Availability Codes	
Dist	Avail and/or Special
A	

SUMMARY

GENERAL

1. This is Volume II of the final technical report to a study entitled Analysis and Evaluation of Potential Competition of Interest Among the Major Powers. The work was performed for the Office of the Assistant Secretary of Defense (Program Analysis and Evaluation), Director, Special Regional Programs, under Contract No. MDA 930-75-C-0225.

BACKGROUND

2. Systematic policy planning must consider the interests and concerns of allies as well as potential adversaries. A failure to do so may result in avoidable diplomatic or military crises or may obscure opportunities for new policy initiatives.

3. Great Britain and Japan are two of the closest diplomatic and military allies of the U.S. The three nations generally agree on the identity of the major potential military threat to their security and share a common perception of the principal conditions that contribute to a stable and secure international environment. However, diplomatic frictions, economic rivalries, and conflicts of interest are common occurrences, despite diplomatic, economic, and military interdependence. Overriding strategic considerations thus far have assured that such differences have been treated as minor irritations in an otherwise cohesive alliance framework.

4. As Japan searches for more political responsibility commensurate with its status as an economic superpower and as Great Britain identifies its political and economic future increasingly with a unified Western Europe, the opportunities for conflicts of interest with the U.S. are likely to be amplified. The U.S. policy planner should, therefore, explicitly estimate those areas where U.S. policy is likely to confront, and possibly clash with, the interests of major allies.

## PRESEARCH INCORPORATED

### PURPOSE

5. The purpose of Volume II is to present a comprehensive analysis of the scope and character of Great Britain's and Japan's foreign interests as they are observed in the structure of the two countries' everyday external involvements. In addition, the study rank-orders the international system (over 100 countries) according to each country's proportionate share of Great Britain's and Japan's worldwide involvement. In this manner, the study has sought to develop an explicit means for identifying geographic priorities in both countries' foreign policy activities.

### APPROACH

6. Twenty-six empirical measures of British external involvement and 22 discrete indicators of Japanese international engagements were identified, collected, factor-analyzed, and eventually compressed into two six-dimensional profiles of the countries' manifest overseas interests. This procedure was duplicated in time-series format to examine the consistency of the two interest profiles over time.

7. Over 100 nations were scored according to their relative value on each of the six discrete dimensions that were found to comprise the basic character of Japan's and Great Britain's external interests. In addition, all countries in the data base were assigned a composite score, which aggregated the weighted values of their six individual dimensional scores. In this way systematic rank-orderings (explicitly arrived at) of most countries in the international system, from the perspectives of Great Britain and Japan, were obtained.

### FINDINGS

8. The profiles of both Great Britain's and Japan's external interests are characterized by a strong emphasis on international commercial concerns as the prime driver of diplomatic involvement. This contrasts significantly with the U.S. interest "model," which, in the aggregate, demonstrates little relationship between the distribution of commercial interests and the allocation of the main manifestations of diplomatic interests (e.g., Department of State personnel).

9. From a purely commercial perspective, Japan is a power of global proportions. Interestingly, the top six countries of Japanese commercial-diplomatic involvement in 1972 were non-Asian nations: U.S., Great Britain, Brazil, Australia,

**PRESEARCH INCORPORATED**

West Germany, and Canada. Across all forms of Japanese external involvements, however, East and Southeast Asia ranked as the two foremost regions of Japanese involvement in proportion to Japan's worldwide role.

10. The study shows the North Atlantic region as the principal area of British commercial-diplomatic interest. A dominant British political role is evident primarily in the Subsaharan African countries, whose economics remain highly dependent on British trade and development assistance. Outside the North Atlantic region and Subsaharan Africa, Great Britain continues to maintain important economic and political interest around the Indian Ocean basin. Thus, Australia, the Malaysian peninsula, India, and the Persian Gulf area continue to account for extensive British aid, trade, and diplomatic presence in spite of a precipitous military withdrawal.

TABLE OF CONTENTS

	<u>Page</u>
SUMMARY . . . . .	i
LIST OF TABLES . . . . .	v
I. INTRODUCTION . . . . .	1
General; Background; Purpose; Scope; Contents.	
II. BRITISH PROFILE . . . . .	4
General; Data; Summary of British Profile; Concluding Propositions.	
III. JAPANESE PROFILE . . . . .	30
General; Observations on Japan's International Role; Data; Cor- relation Matrices; Factor Ma- trices; Dimensional and Com- posite Scoring Results; Com- posite Scores; Summary.	



PRESEARCH INCORPORATED

LIST OF TABLES

	<u>Page</u>
2.1. Matrix of Product-Moment Correlation Coefficients of Selected Indicators of British External Involvement in 1970 . . . .	8
2.2. Matrix of Product-Moment Correlation Coefficients of Selected Indicators of British External Involvement in 1971 . . . .	9
2.3. Matrix of Product-Moment Correlation Coefficients of Selected Indicators of British External Involvement in 1972 . . . .	10
2.4. Final Rotated Matrix of Manifest Brit- ish Interest Data in 1970 . . . . .	11
2.5. Final Rotated Matrix of Manifest Brit- ish Interest Data in 1971 . . . . .	13
2.6. Final Rotated Matrix of Manifest Brit- ish Interest Data in 1972 . . . . .	15
2.7. Comparative Variable Loadings for U.S. and British Security Assistance Activities in 1971 . . . . .	21
2.8. 25 Top-Scoring Countries on Commer- cial-Diplomatic Dimension of Great Britain's External Involvement Pro- file . . . . .	24
2.9. 25 Top-Scoring Countries on Aggre- gate Measure of Great Britain's Ex- ternal Involvement . . . . .	25
3.1. Matrix of Product-Moment Correlations for Selected Indicators of Japanese External Involvement in 1969 . . . . .	37

# PRESEARCH INCORPORATED

3.2.	Matrix of Product-Moment Correlations for Selected Indicators of Japanese External Involvement in 1970 . . . . .	38
3.3.	Matrix of Product-Moment Correlations for Selected Indicators of Japanese External Involvement in 1971 . . . . .	39
3.4.	Matrix of Product-Moment Correlations for Selected Indicators of Japanese External Involvement in 1972 . . . . .	40
3.5.	Relationship Between Three Selected Indicators of Japanese and British Commercial Interests and the Deploy- ment of Government Personnel . . . . .	41
3.6.	Final Rotated Factor Matrix of Mani- fest Japanese Interest Data in 1969 . . . . .	44
3.7.	Final Rotated Factor Matrix of Mani- fest Japanese Interest Data in 1970 . . . . .	45
3.8.	Final Rotated Factor Matrix of Mani- fest Japanese Interest Data in 1971 . . . . .	46
3.9.	Final Rotated Factor Matrix of Mani- fest Japanese Interest Data in 1972 . . . . .	47
3.10.	25 Top-Scoring Countries on Commer- cial-Diplomatic Dimension of Japan's External Involvement Profile . . . . .	53
3.11.	25 Top-Scoring Countries on Aid and Trade Penetration Dimension of Ja- pan's External Involvement Profile . . . . .	55
3.12.	25 Top-Scoring Countries on Compos- ite Indicator of Japan's External Involvement . . . . .	62
3.13.	Comparative U.S.-Japanese Composite Scores in Australasia in 1972 . . . . .	65

# PRESEARCH INCORPORATED

## I. INTRODUCTION

### GENERAL

1.1 This is Volume II of the final report to a study entitled Analysis and Evaluation of Potential Competition of Interest Among the Major Powers. The work was performed for the Office of the Assistant Secretary of Defense (Program Analysis and Evaluation), Director, Special Regional Programs, under Contract No. MDA 930-75-C-0225.

1.2 This volume has analyzed the British and Japanese data collections that were established as part of the World Analytic Research Project (WARP) data base. In the case of Great Britain, 3 years (1970-1972) of manifest involvement data were examined, while for Japan, 4 years (1969-1972) of comparable information was analyzed. A total of 14 primary and 12 secondary, or derived, variables were incorporated in the British analysis. The Japanese data file included 11 primary and 12 secondary indicators.

### BACKGROUND

1.3 Prudent policy planning must consider the international priorities and commitments of allies as well as potential adversaries. To overlook or to misinterpret the concerns of an ally may result in a minor diplomatic irritation or a major

## PRESEARCH INCORPORATED

diplomatic crisis, as exemplified by the U.S.-Western European rift over the former's arms resupply effort to Israel in October of 1973. An initial step toward avoiding unnecessary allied displeasure is to take a systematic inventory of the interests of allies, as these are observed in the geographic distribution of external economic, political, or military involvements.

### PURPOSE

1.4 This study has sought to identify the scope and character of Great Britain's and Japan's foreign interests at the local (country) level. This was done by measuring the amount of observable involvement that each of the two countries has in a third country in proportion to their worldwide involvements.

### SCOPE

1.6 This report has combined the treatment of the Japanese and British data collections into one volume, since the two countries appear to share a number of substantive characteristics in their roles in the international system. Because both countries are island nations, they are heavily dependent on secure maritime communications for trade and an uninterrupted flow of raw materials. International commercial concerns, therefore, tend to have top priority in both countries' foreign policy deliberations.

1.7 East and Southeast Asia has been the meeting ground, and sometimes battleground, of British and Japanese competing interests to secure access to raw resources and export markets. Until the 1940's, Japan found itself essentially dependent on

the goodwill of the colonial powers to pursue its commercial activities in the Asian dependencies--British India, the Philippines, French Indochina, and the Dutch East Indies. The ability of the colonial powers to arbitrarily shut off the flow of Japan's importation of critical materials has been widely recognized as the principal cause for Japan's entrance into World War II.

1.8 The decolonization process in Asia and Great Britain's decision to withdraw "east of Suez" have transformed the pre-World War II framework of Japanese-British relations in Asia dramatically. No longer hampered by the political restrictions that were implicit in Britain's imperial sovereignty, the Japanese-British commercial contest in Asia has been reduced to the single denominator of comparative economic performance.

1.9 To allay Asian and, to some extent, U.S. and British fears that its commercial expansion might be paralleled by political or military ambitions, Japan has announced a doctrine of a separation of politics from trade. At present, however, Japan has come under increasing pressure from the U.S. to assume a greater political responsibility for the future of Asia. Not so much by design as by invitation, Japan may find itself the de facto inheritor of Great Britain's pre-World War II political dominance in Asia.

## CONTENTS

1.10 Section II of this volume examines the statistical analysis and substantive interpretation of the British data collection. Section III presents a comprehensive analytic treatment and discussion of the Japanese manifest interest profile.

## II. BRITISH PROFILE

### GENERAL

2.1 This section presents the results of a factor analysis of 3 years of empirical data on the various manifestations of Great Britain's public and private involvement throughout the international system. A total of 26 discrete measures of Great Britain's manifest interest abroad were analyzed and integrated into a comprehensive, 6-factor external involvement profile. In addition, the 113 countries in the British data base were measured according to their relative share of British involvement. The resulting rank-ordering represents an explicit assessment of the geographic priorities in British external policies.

### DATA

2.2 The following variables were selected as a representative sample of a possible universe of indicators of the British interest:

- Number of bilateral and multilateral international treaties in force: PACTS
- Number of bilateral and multilateral military treaties in force: MILPACT

PRESEARCH INCORPORATED

- Number of Foreign Service personnel abroad: FORSERV
- Number of British tourists abroad: TOURIST
- Dollar value of British exports: EXPORT
- Dollar value of British imports: IMPORT
- Pound sterling book value of British direct private investments abroad: INVEST
- Pound sterling value of British overseas development grants and credits: ECOAID
- Dollar value of delivered British overseas military assistance: SECAID
- Dollar value of delivered British overseas military sales: ARMS
- Number of foreign students and trainees funded and educated by Great Britain: STUDENTS
- Number of British development assistance volunteer personnel abroad: VOLUNTR
- Number of British technical advisory personnel abroad: ECOADV
- Number of British military deployments abroad: MILIT
- Number of Foreign Service personnel per capita of the host country's population: FORCAP
- Number of tourists abroad per capita of the host country's population: TOURCAP

PRESEARCH INCORPORATED

- Dollar value of British exports divided by the dollar value of the receiving country's total imports: PEREXP
- Dollar value of British imports divided by the dollar value of the sending country's total exports: PERIMP
- Pound sterling book value of British direct private investments per capita of the host country's population: INVCAP
- Pound sterling value of overseas development grants and credits per capita of the recipient country's population: ECOCAP
- Dollar value of delivered overseas military assistance per capita of the recipient country's population: SECCAP
- Dollar value of delivered overseas military assistance divided by the recipient country's self-financed defense budget: SECDEF
- Number of foreign students and trainees funded and educated by Great Britain per capita of the sending country's population: STUDCAP
- Number of development assistance volunteers per capita of the host country's population: VOLCAP



## PRESEARCH INCORPORATED

- Number of technical advisory personnel abroad per capita of the host country's population: ADVCAP
- Number of military deployments abroad per capita of the host country's population: MILCAP.

### Product-Moment Correlation of Variables

2.3 Tables 2.1, 2.2, and 2.3 contain the product-moment correlation coefficients for each pair of variables in the analysis. The coefficients provide an initial overview of the basic interrelationships that exist among the 26 manifestations of Great Britain's external involvement during the 3 years examined. The tables of correlation results comprise the intermediary computational step between the original source data and the construction of the factor matrices. Since the latter is the objective of the analysis, the correlation matrices have been presented without substantive comment. They have been displayed simply to afford others the opportunity to test various premises and hypotheses regarding the interrelationships that characterize Great Britain's external involvement.

### Factor Analytic Results

2.4 Tables 2.4 through 2.6 display the final orthogonally rotated factor solutions for the 26 selected indicators of British external involvement in the years 1970 through 1972, respectively. Variable loadings equal to or greater than |0.50| have been placed in parentheses and are the focus of interpretation of the three matrices.

## PRESEARCH INCORPORATED

TABLE 2.1  
MATRIX OF PRODUCT-MOMENT CORRELATION COEFFICIENTS OF SELECTED INDICATORS  
OF BRITISH EXTERNAL INVOLVEMENT IN 1970  
(N=113)

Indicator	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
1. MILIT	1.00																									
2. ECON	-0.43	1.00																								
3. VOLUNT	-0.05	0.75	1.00																							
4. STUDENTS	0.92	0.08	0.17	1.00																						
5. ADV	0.37	0.00	0.08	0.46	1.00																					
6. SECALD	0.15	0.09	0.06	0.03	0.15	1.00																				
7. ECSTED	-0.01	0.21	0.44	0.18	0.53	0.12	1.00																			
8. INVEST	0.06	0.02	0.05	0.09	0.11	-0.02	0.05	1.00																		
9. TO-RIST	0.14	-0.06	-0.11	0.13	0.04	-0.02	-0.06	0.11	1.00																	
10. FASNAV	0.19	0.05	0.18	0.46	0.41	0.11	0.46	0.41	0.30	1.00																
11. MILPAC	0.15	-0.06	-0.11	0.24	0.13	-0.04	-0.07	0.10	0.31	0.68	1.00															
12. PACIS	0.18	-0.10	-0.13	0.24	0.17	-0.05	0.02	0.47	0.48	0.63	0.78	1.00														
13. EFF-RT	0.28	-0.03	-0.05	0.28	0.19	0.00	0.00	0.75	0.45	0.71	0.85	0.82	1.00													
14. INF-RT	0.32	-0.05	-0.09	0.32	0.23	-0.03	-0.04	0.74	0.39	0.66	0.83	0.77	0.96	1.00												
15. MILCAP	0.21	-0.51	-0.07	0.03	0.00	0.22	0.06	-0.04	-0.02	0.01	-0.04	-0.09	-0.03	-0.04	1.00											
16. FICAP	0.64	-0.02	0.05	-0.04	0.00	0.00	0.00	-0.03	-0.04	-0.01	-0.04	-0.12	-0.04	-0.03	0.63	1.00										
17. TOLCAP	0.06	-0.05	-0.11	-0.03	-0.01	0.03	0.03	0.01	0.43	0.02	0.05	0.19	0.26	0.22	0.43	0.13	1.00									
18. PERTR	-0.02	0.24	0.21	-0.01	0.01	-0.01	0.14	-0.03	0.04	-0.03	-0.07	-0.08	0.04	0.07	0.22	0.20	0.37	1.00								
19. PERTR	0.05	0.14	0.41	-0.02	0.03	0.00	0.22	0.01	0.01	0.02	-0.09	-0.09	0.06	0.04	0.21	0.27	0.38	0.78	1.00							
20. INV-CAP	0.80	0.03	-0.06	-0.04	0.19	0.00	-0.04	0.31	0.02	0.08	0.08	0.03	0.18	0.25	0.31	0.71	0.13	0.18	0.16	1.00						
21. EICAP	0.04	0.05	0.01	-0.02	-0.03	0.10	0.16	-0.05	-0.03	-0.04	-0.04	-0.09	-0.06	-0.08	0.51	0.26	0.55	0.28	0.16	0.08	1.00					
22. SECDEF	0.07	0.18	0.20	0.03	0.09	0.48	0.18	-0.03	-0.04	0.07	-0.05	-0.07	-0.04	-0.06	0.11	0.04	-0.01	0.10	0.07	-0.02	0.00	1.00				
23. SECDEF	0.16	0.64	0.02	0.01	0.13	0.98	0.10	-0.02	-0.01	0.10	-0.04	-0.06	-0.09	-0.02	0.24	0.10	0.04	-0.02	-0.01	0.00	0.10	0.39	1.00			
24. SECDEF	0.22	0.09	0.01	0.17	0.02	0.14	0.07	-0.07	-0.05	-0.01	-0.03	-0.09	-0.06	-0.04	0.48	0.22	0.23	0.46	0.40	0.01	0.43	0.12	0.13	1.00		
25. VGLCAP	-0.04	0.49	0.42	0.60	-0.09	0.08	0.11	-0.09	-0.12	-0.08	-0.11	-0.22	-0.14	-0.15	0.10	0.39	-0.10	0.41	0.55	0.19	0.16	0.21	0.07	0.33	1.00	
26. AGICAP	-0.02	0.78	0.43	0.01	-0.05	0.10	0.15	-0.05	-0.07	-0.03	-0.06	-0.13	-0.08	-0.08	0.07	0.09	0.03	0.37	0.56	-0.01	0.20	0.08	0.34	0.78	1.00	

TABLE 2.2  
 MATRIX OF PRODUCT-MOMENT CORRELATION COEFFICIENTS OF SELECTED INDICATORS  
 OF BRITISH EXTERNAL INVOLVEMENT IN 1971  
 (N=113)

Indicator	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
1. MILIT	1.00																									
2. ECADV	-0.03	1.00																								
3. VOLUNT	-0.03	0.73	1.00																							
4. STUDENTS	0.94	0.05	0.11	1.00																						
5. ARMS	0.67	-0.05	-0.04	0.66	1.00																					
6. SECAD	0.21	0.00	0.00	0.01	0.30	1.00																				
7. ECADID	0.01	0.24	0.59	0.13	0.13	0.16	1.00																			
8. INVEST	0.08	0.02	0.00	0.10	0.10	-0.01	0.12	1.00																		
9. TOURIST	0.20	-0.06	-0.11	0.20	0.06	-0.03	-0.04	0.14	1.00																	
10. ECOSERV	0.34	0.08	0.16	0.41	0.33	0.10	0.55	0.48	0.33	1.00																
11. MILPACT	0.23	-0.06	-0.11	0.22	0.10	-0.02	-0.05	0.70	0.37	0.67	1.00															
12. PACIS	0.18	-0.10	-0.12	0.21	0.09	-0.05	0.01	0.49	0.32	0.60	0.78	1.00														
13. EXPORT	0.29	-0.05	-0.04	0.27	0.17	-0.01	-0.03	0.77	0.40	0.68	0.86	0.83	1.00													
14. IMPORT	0.27	-0.03	-0.08	0.28	0.19	-0.04	-0.05	0.70	0.35	0.56	0.56	0.56	0.56	1.00												
15. MILCAP	0.22	-0.03	-0.06	0.05	0.11	0.10	0.07	-0.04	-0.01	0.02	-0.04	-0.10	-0.03	-0.04	1.00											
16. TCCCAP	0.09	-0.03	-0.09	0.01	-0.01	0.10	0.08	-0.02	0.27	0.05	0.05	0.09	0.06	0.03	0.57	1.00										
17. FORCAP	0.03	0.00	-0.04	-0.04	0.12	0.21	0.03	-0.05	-0.06	-0.03	-0.06	-0.15	-0.06	-0.05	0.74	0.50	1.00									
18. PERESP	-0.04	0.31	0.19	-0.02	-0.03	-0.03	0.16	-0.03	-0.09	-0.04	-0.07	-0.11	-0.02	0.00	0.15	0.12	0.22	1.00								
19. PERIMP	-0.04	0.38	0.40	-0.02	-0.04	0.00	0.21	0.04	-0.12	-0.01	-0.09	-0.10	-0.03	0.00	0.28	0.25	0.41	0.70	1.00							
20. INSCAP	0.00	-0.02	-0.04	-0.02	0.25	0.01	-0.05	0.28	-0.04	0.05	0.03	0.02	0.17	0.13	0.21	0.05	0.45	0.12	0.29	1.00						
21. ADSCAP	-0.02	0.69	0.59	-0.01	-0.04	0.00	0.13	-0.06	-0.07	-0.06	-0.08	-0.17	-0.10	-0.07	0.07	0.10	0.21	0.44	0.46	-0.03	1.00					
22. ECOCAP	0.05	0.05	0.05	-0.02	-0.02	0.16	0.17	-0.06	-0.03	-0.05	-0.06	-0.13	-0.04	-0.09	0.48	0.77	0.41	0.26	0.45	0.03	0.42	1.00				
23. SECDEF	0.17	0.01	0.02	0.00	0.22	0.01	0.14	-0.03	-0.04	0.08	-0.05	-0.09	-0.03	-0.05	0.25	0.02	0.19	0.02	0.16	-0.02	0.02	0.17	1.00			
24. SECDEF	0.03	-0.03	-0.04	-0.02	0.06	0.54	0.04	-0.04	-0.03	-0.02	0.04	-0.01	-0.04	-0.05	0.16	0.17	0.20	0.01	0.03	-0.02	-0.01	0.16	0.28	1.00		
25. STUCAP	0.30	0.09	0.08	0.35	0.16	0.15	0.09	-0.03	-0.04	-0.05	-0.06	-0.14	-0.08	-0.08	0.44	0.35	0.42	0.39	0.47	0.01	0.46	0.55	0.28	0.68	1.00	
26. VOLCAP	-0.03	0.28	0.29	-0.02	-0.07	0.02	0.21	-0.07	-0.09	-0.08	-0.09	-0.19	-0.15	-0.11	0.67	0.00	0.32	0.44	0.55	-0.01	0.73	0.41	0.01	0.47	0.47	1.00

TABLE 2.3  
MATRIX OF PRODUCT-MOMENT CORRELATION COEFFICIENTS OF SELECTED INDICATORS  
OF BRITISH EXTERNAL INVOLVEMENTS IN 1972  
(N=113)

Indicator	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
1. PACS	1.00																									
2. WILPACT	0.76	1.00																								
3. POWERY	0.65	0.72	1.00																							
4. TIGRIST	0.46	0.29	0.32	1.00																						
5. EPPAT	0.82	0.67	0.76	0.42	1.00																					
6. IMPACT	0.40	0.43	0.70	0.39	0.96	1.00																				
7. INLEST	0.48	0.70	0.45	0.11	0.72	0.67	1.00																			
8. SECALD	-0.04	-0.04	0.05	-0.02	-0.02	-0.06	0.04	1.00																		
9. ASVS	0.27	0.24	0.34	0.08	0.30	0.40	0.10	0.14	0.25	1.00																
10. STIGENTS	0.34	0.33	0.49	0.21	0.36	0.44	0.11	0.14	0.41	0.64	1.00															
11. VIGUAT	-0.11	-0.11	0.14	-0.11	-0.07	-0.10	0.01	0.44	0.64	0.62	0.13	1.00														
12. EGGAT	-0.11	-0.06	0.05	-0.07	-0.05	-0.06	0.01	0.32	0.07	0.04	0.07	0.77	1.00													
13. EGGAT	-0.12	-0.04	0.07	-0.04	-0.04	-0.04	-0.03	-0.02	0.05	-0.01	-0.04	-0.04	-0.02	1.00												
14. EGGAT	0.22	0.07	0.03	0.45	0.26	0.21	0.02	-0.05	0.03	0.01	0.00	-0.12	-0.06	0.11	1.00											
15. EGGAT	-0.08	-0.06	-0.03	0.02	0.02	0.02	-0.03	-0.03	0.15	-0.02	0.04	-0.02	0.25	0.25	0.41	1.00										
16. PERIMP	-0.68	-0.08	0.04	0.00	0.05	0.02	0.02	0.29	0.00	0.07	0.00	0.44	0.41	0.78	0.41	1.00										
17. INICAP	0.01	0.08	0.08	0.02	0.15	0.19	0.10	0.04	0.00	0.06	-0.04	-0.05	0.73	0.13	0.19	0.29	1.00									
18. EGGAT	-0.18	-0.08	0.07	0.07	-0.11	-0.12	-0.07	0.14	0.20	-0.02	-0.04	0.13	0.16	0.24	0.24	0.47	0.41	1.00								
19. EGGAT	-0.07	-0.04	-0.01	-0.03	-0.04	-0.05	-0.03	0.13	0.25	0.03	0.00	0.25	0.25	0.00	-0.02	0.13	0.15	-0.02	1.00							
20. SECDEF	-0.58	-0.04	0.05	-0.02	0.00	-0.03	-0.02	0.10	1.00	0.25	0.01	0.01	0.02	0.06	0.03	-0.03	-0.02	0.00	0.19	0.23	1.00					
21. SECDEF	-0.01	0.03	-0.05	-0.04	-0.02	0.00	-0.07	0.02	0.12	0.07	0.15	0.04	0.06	0.29	0.20	0.52	0.44	0.09	0.54	0.04	0.12	1.00				
22. VIGCAP	-0.21	-0.10	-0.09	-0.10	-0.13	-0.13	-0.07	0.10	0.04	-0.06	-0.04	0.30	0.32	0.34	0.09	0.47	0.40	0.74	0.71	0.15	0.03	0.11	1.00			
23. ASICAP	-0.18	-0.07	-0.06	-0.07	-0.10	-0.10	-0.06	0.15	0.05	0.00	-0.02	0.39	0.63	0.12	0.01	0.49	0.40	0.07	0.67	0.10	0.02	0.40	0.02	1.00		
24. MILIT	0.20	0.24	0.34	0.14	0.28	0.40	0.07	-0.03	0.02	0.41	0.92	-0.05	-0.03	0.01	0.04	-0.02	-0.06	-0.02	0.00	-0.01	0.02	0.18	-0.04	-0.03	1.00	
25. MILCAP	-0.04	-0.02	0.00	0.00	-0.02	-0.02	-0.03	-0.01	0.05	0.02	0.05	-0.07	-0.03	0.37	0.46	0.21	0.17	0.07	0.27	0.00	0.06	0.10	0.04	0.10	0.04	1.00

PRESEARCH INCORPORATED

TABLE 2.4  
FINAL ROTATED MATRIX OF MANIFEST BRITISH INTEREST DATA IN 1970\*

Indicator	Factor						Communality
	1	2	3	4	5	6	
MILIT	0.164	-0.056	0.159	(0.927)	0.067	-0.041	0.921
EOADV	-0.011	(0.789)	-0.093	-0.006	-0.001	-0.076	0.637
VOLUNTR	0.001	(0.829)	-0.211	0.027	0.114	-0.107	0.757
STUDENTS	0.187	0.070	0.020	(0.937)	-0.075	-0.111	0.935
ARMS	0.094	-0.056	-0.061	(0.815)	0.207	0.203	0.764
SECAID	-0.023	-0.017	0.096	0.120	(0.910)	0.048	0.855
EOAID	0.115	(0.531)	-0.095	0.091	0.362	-0.133	0.462
INVEST	(0.804)	0.084	-0.142	-0.032	0.035	0.245	0.736
TOURIST	0.466	-0.164	0.239	0.118	-0.087	-0.348	0.444
FORSERV	(0.784)	0.212	-0.118	0.288	0.200	-0.068	0.801
MILPACT	(0.909)	-0.075	0.024	0.051	-0.026	-0.031	0.836
PACTS	(0.859)	-0.144	0.019	0.036	-0.057	-0.158	0.788
EXPORT	(0.950)	-0.056	0.004	0.112	-0.051	0.084	0.923

PRESEARCH INCORPORATED

TABLE 2.4 (Cont)

Indicator	Factor						Communality
	1	2	3	4	5	6	
IMPORT	(0.916)	-0.038	-0.020	0.118	-0.074	0.106	0.871
MILCAP	-0.040	-0.055	(0.668)	0.105	0.297	0.360	0.679
TOURCAP	0.111	-0.060	(0.828)	-0.050	0.097	-0.125	0.730
FORCAP	-0.079	0.065	(0.541)	0.048	0.199	0.630	0.742
PEREXP	-0.031	(0.587)	0.279	-0.060	-0.121	0.266	0.512
PERIMP	0.003	(0.643)	0.390	-0.066	-0.025	0.401	0.732
INVCAP	0.141	-0.032	-0.002	0.038	-0.033	0.832	0.716
ADVCAP	-0.097	(0.752)	0.320	-0.024	-0.117	-0.017	0.692
ECOCAP	-0.052	0.235	(0.830)	-0.051	0.130	-0.013	0.767
SECDEF	-0.053	0.059	0.084	0.109	(0.801)	0.078	0.673
SECCAP	-0.007	-0.070	0.164	-0.060	(0.625)	-0.029	0.427
STUDCAP	-0.114	0.328	(0.654)	0.284	0.021	0.112	0.641
VOLCAP	-0.137	(0.623)	0.340	-0.018	-0.105	0.125	0.549

\* Loadings  $\geq 0.50$  are in parentheses.

TABLE 2.5  
FINAL ROTATED MATRIX OF MANIFEST BRITISH INTEREST DATA IN 1971\*

Indicator	Factor						Communality
	1	2	3	4	5	6	
MILIT	0.145	0.205	-0.145	0.065	(0.817)	-0.038	0.757
ECOADV	-0.004	-0.043	(0.855)	0.071	0.009	-0.110	0.750
VOLUNTR	-0.034	-0.147	(0.797)	0.062	0.160	-0.095	0.696
STUDENTS	0.178	0.073	0.031	-0.054	(0.898)	-0.106	0.859
ARMS	0.140	-0.111	0.037	0.082	(0.705)	0.129	0.553
SECAID	-0.013	0.061	0.019	(0.969)	0.076	0.033	0.951
ECOAID	0.016	-0.059	0.380	0.137	0.445	0.009	0.365
INVEST	(0.787)	-0.179	0.071	0.002	-0.019	0.230	0.709
TOURIST	0.488	0.320	-0.150	-0.027	-0.016	-0.248	0.426
FORSEV	(0.731)	-0.101	0.118	0.110	0.458	0.030	0.781
MILPACT	(0.887)	-0.042	-0.056	-0.017	0.091	0.023	0.801
PACTS	(0.850)	0.039	-0.135	-0.048	0.096	-0.140	0.773
EXPORT	(0.962)	0.064	-0.029	-0.013	0.109	0.017	0.942

TABLE 2.5 (Cont)

Indicator	Factor						Communality
	1	2	3	4	5	6	
IMPORT	(0.934)	0.045	-0.052	-0.047	0.142	0.071	0.904
MILCAP	-0.093	(0.611)	-0.104	0.207	0.126	(0.498)	0.699
FORCAP	-0.075	0.254	0.035	0.054	0.013	(0.871)	0.833
TOURCAP	0.222	(0.810)	-0.099	-0.001	-0.096	-0.055	0.728
PEREXP	0.023	(0.567)	0.479	-0.085	-0.055	0.121	0.576
PERIMP	0.034	(0.527)	(0.674)	-0.089	-0.035	0.183	0.776
INVCAP	0.189	0.048	0.026	-0.050	-0.027	(0.870)	0.799
ECOCAP	-0.084	(0.710)	0.094	0.085	0.012	0.115	0.541
SECDEF	-0.027	0.021	0.200	(0.789)	0.038	-0.024	0.665
SECCAP	-0.010	0.077	-0.030	(0.944)	0.066	0.042	0.904
STUDCAP	-0.121	(0.628)	0.275	0.079	0.197	0.131	0.547
VOLCAP	-0.153	0.173	(0.726)	0.058	-0.037	0.288	0.668
ADVCAP	-0.056	0.220	0.811	0.064	-0.053	-0.023	0.716

\* Loadings  $\geq 0.50$  are in parentheses.



TABLE 2.6  
FINAL ROTATED MATRIX OF MANIFEST BRITISH INTEREST DATA IN 1972\*

Indicator	Factor						Communality
	1	2	3	4	5	6	
PACTS	(0.839)	0.101	-0.103	-0.053	0.134	-0.153	0.768
MILPACT	(0.885)	-0.037	-0.048	-0.028	0.133	0.053	0.809
FORSERV	(0.810)	-0.091	0.181	0.067	0.281	-0.043	0.782
TOURIST	0.457	0.379	-0.117	-0.023	0.005	-0.249	0.429
EXPORT	(0.957)	0.086	-0.040	0.000	0.125	0.003	0.940
IMPORT	(0.905)	0.064	-0.067	-0.041	0.263	0.038	0.900
INVEST	(0.801)	-0.170	0.046	0.003	-0.088	0.188	0.716
ECO AID	0.082	-0.067	(0.554)	0.152	0.091	-0.129	0.366
SECAID	-0.020	0.034	0.037	(0.979)	0.064	0.040	0.967
ARMS	0.222	-0.006	0.042	0.229	(0.741)	0.015	0.653
STUDENTS	0.281	0.022	0.091	-0.056	(0.910)	-0.080	0.926
VOLUNTR	-0.023	-0.114	(0.832)	0.008	0.017	-0.089	0.714

## PRESEARCH INCORPORATED

TABLE 2.6 (Cont)

Indicator	Factor						Communality
	1	2	3	4	5	6	
EOADV	-0.019	-0.033	(0.841)	0.009	-0.002	-0.044	0.711
FORCAP	-0.036	0.139	-0.098	0.034	-0.001	(0.795)	0.664
TOURCAP	0.215	(0.836)	-0.111	0.024	-0.119	-0.110	0.785
PEREXP	-0.008	(0.611)	0.466	-0.085	-0.052	0.267	0.672
PERIMP	0.040	(0.528)	(0.600)	-0.061	-0.078	0.243	0.709
INVCAP	0.213	0.011	-0.088	-0.014	-0.083	(0.789)	0.683
ECOCAP	-0.152	0.458	0.379	0.168	0.013	0.460	0.616
SECDEF	-0.023	0.005	0.344	0.360	-0.039	-0.044	0.252
SECCAP	-0.019	0.042	0.000	(0.977)	0.065	0.044	0.963
STUDCAP	-0.108	(0.593)	0.188	0.060	0.232	0.402	0.618
VOLCAP	-0.164	0.150	(0.547)	-0.027	0.011	(0.613)	0.725
ADVCAP	-0.125	0.205	(0.718)	-0.022	0.008	0.360	0.703
MILIT	0.146	0.101	-0.069	-0.045	(0.903)	-0.002	0.902
MILCAP	-0.083	(0.645)	-0.135	0.054	0.156	0.113	0.481

\* Loadings  $\geq 0.50$  are in parentheses.

## PRESEARCH INCORPORATED

2.5 The factor solution was deliberately constrained to six factors, or dimensions, to achieve an optimum compromise between data comprehensiveness and data economy. A limited loss of total variation among all the variables was accepted to restrict the factor solution to a manageable number of independent dimensions.

2.6 The last column in the tables lists the communality values for each of the variables. These figures indicate the amount of variation that each of the 26 variables shares with the others: the higher the communality figure, the greater the relatedness of the particular variable to the other variables. An examination of the values for the 3 years reveals that the communalities for most variables are substantial. This signifies that the variables are highly interdependent and that the six factors are meaningful.

2.7 A few indicators, including ECOAID and TOURIST, exhibit rather low communalities, which suggests that they constitute unique aspects of Great Britain's external involvement profile. The communality figure for the variable MILCAP underwent a noticeable decrease in value (from 0.68 and 0.70 in 1970 and 1971, respectively, to 0.48 in 1972), indicating that the specific location of British foreign military deployments has become decreasingly related to other aspects of Great Britain's external involvement.

### Interpretation

2.8 A useful way of interpreting the British factor results is by comparing them with comparable U.S. data. The first factor on the British profile shows a remarkable similarity

PRESEARCH INCORPORATED

to a dimension of U.S. external involvement, which had been labeled Commercial Activity. <sup>1/</sup> In both countries, international commercial activities in the form of imports, exports, and direct private investments are the prime drivers. Even the variable loadings are comparable. A significant divergence between the two countries' commercial profiles shows up, however, in the high loading (0.81 in 1972) for Great Britain's foreign diplomatic representation. The U.S. profile, in contrast, indicates only a minimal correlation between the deployment of Department of State personnel and the distribution of international commercial stakes. Diplomatic representation clusters with other activities that are generally political or military. On the basis of this tentative evidence, it may be assumed that while Britain's Foreign Service officers are primarily involved in the promotion of their country's overseas trade position, their U.S. counterparts are more concerned with international politico-strategic problems.

2.9 A similar divergence in dimensional loadings took place in the two countries' general and military treaty relationships. In the British case, both variables show a high degree of interdependence with international commercial activities (loadings of 0.84 and 0.91 in 1972, respectively). In contrast, the U.S. profile shows a set of double, moderate loadings, in conjunction both with manifest commercial stakes

---

<sup>1/</sup> Westinghouse Electric Corp., Center for Advanced Studies and Analyses, Identification and Measurement of U.S. Interests Abroad, Falls Church, Va., Contract No. MDH-903-74-C-0223, November 1974.

## PRESEARCH INCORPORATED

(0.52 and 0.54) and with variables such as overseas military deployments, officially funded cultural exchange programs, and foreign diplomatic representation (0.53 and 0.58). Again, a close interaction between economics and diplomacy appears to dominate British foreign policy.

2.10 The dissimilarity between the two countries' international treaty relationships is not altogether surprising. U.S. post-World War II foreign policy was expansive. As the wealthiest power in the international system and conscious of its position as virtually the sole country capable of shoring up the threatened security of multiple areas throughout the world, the U.S. could afford to commit itself to nations not necessarily of immediate relevance to the national welfare. Britain, on the other hand, had become a "declining" power. Seeing its capabilities reduced, it has been forced to be more discriminating than the U.S. in its international engagements; Great Britain had to make a conscious effort to avoid alignments that might tax its strength and offer little immediate advantage to the nation's postwar economic recovery struggle.

2.11 The second and third factors reflect the strong relationship between economic aid-giving and commercial domination that was also found in the U.S. interest profile. The fact that a country's dependence on a particular major actor for its imports and exports coincides with important aid flows can be explained by at least two factors. The first is the existence of a former colonial relationship, through which the colonial power (despite decolonization) frequently maintains a dominant trading position due to tradition and privileged access. The mother-country usually becomes the principal donor country to the former overseas possession, and

a causal link consequently appears to exist between the provision of economic assistance and trade advantage. Secondly, trade domination by a single major power is typical of the usually small and weak economies of the developing nations, who are also the recipients of development assistance. Therefore, trade penetration and economic assistance may be related not by design but because they are two separate symptoms of a single phenomenon: an underdeveloped economy.

2.12 In 1970 and 1971, the discrete locations within the rotated matrices of Great Britain's overseas security assistance activities paralleled a similar phenomenon in the U.S. interest profile. Table 2.7 shows comparative loadings for the pertinent U.S. and British variables in 1971.

2.13 In the U.S. and British cases, the absence of a statistical relationship between security aid and any of the other political or commercial indicators confirms that this activity primarily is not motivated, as is generally believed, by the prospect of economic gain. Security aid is affected by concerns not included explicitly in the analysis. Purely geo-strategic considerations, such as the perceived need to assist a friendly regime that controls a critical chokepoint, may be crucial criteria. Also, in the U.S. and British cases, the interdependence between the absolute and relative values of security assistance disbursements demonstrates that this is a highly focused activity: countries that receive military aid do so in relatively large quantities.

2.14 The low loading and communality figures of SECDEF (i.e., the proportional contribution of British security assistance to the recipients' self-financed defense budgets) in the 1972

PRESEARCH INCORPORATED

TABLE 2.7  
COMPARATIVE VARIABLE LOADINGS OF  
U.S. AND BRITISH SECURITY  
ASSISTANCE ACTIVITIES IN 1971

Variable	Security Dimensions	
	U.S.	British
Dollar value of security aid	0.97	0.97
Percent contribution of security aid to recipient's defense budget	0.99	0.79
Dollar value of security aid per capita of recipient's population	0.99	0.94
Number of technical advisers	0.93	0.07

factor solution, in contrast with the preceding 2 years, are difficult to explain. One reason may be that a portion of Great Britain's defense assistance in 1972 was allocated to countries that had not been among Britain's traditional recipients of such aid.

2.15 The fifth factor in the 1971 and 1972 matrices (the fourth in 1970) is dominated by two military and one political variables: arms sales, overseas military deployments, and student exchange programs. The relationship between military personnel and arms trade differs from that found in the U.S. analysis, where arms sales tended to assume an independent dimension instead. The coalescence of the distribution of military personnel and arms sales in the British case may occur because most of Britain's overseas military contingents are presently involved in providing training assistance to buyers of the country's military hardware. An exception is West Germany, which also happens to be an important importer of British military equipment through an offset agreement.

2.16 The sixth orthogonal dimension reemphasizes the close relationship between Britain's trade interests and the activities of its overseas diplomatic staffs. This is demonstrated by the joint loadings of the number of Foreign Service personnel and the pound sterling value of overseas investments, which were both per capita of the host country's population.

#### SUMMARY OF BRITISH PROFILE

2.17 The preceding comparison of British versus U.S. involvement characteristics has disclosed a potentially important



clue regarding British international political behavior, which should be pertinent to the U.S. relationship with one of its closest allies. American policymakers, who tend to give priority to international strategic and security considerations, should be concerned with the apparent high priority of economics in Britain's international politics. The diplomatic crisis between Western Europe and the U.S. over the latter's resupply effort to Israel in October 1973 illustrates that the U.S. assumes that its perception of international security is shared fully by its allies.

#### Factor Scoring

2.18 Having identified the dimensions that underlie British overseas activity, the next step was to score all 113 nations on each dimension separately and on an aggregate measure of all six dimensions combined. <sup>2/</sup> Table 2.8 lists the top 25 nations and their associated scores on the most interesting and cohesive dimension in the British profile. This first dimension will be referred to as Commercial-Diplomatic Activity because of its variable loadings. Table 2.9 has ranked the top 25 countries across all 6 dimensions combined and represents a systematic overview of aggregate British overseas interest priorities.

#### Commercial-Diplomatic Activity

2.19 One obvious characteristic of the country listing in Table 2.8 is that the largest number of countries are European nations; of a total of 25 nations in 1972, 15 (excluding Turkey) are located in Europe, 2 in North America, 5 in Asia, 1 in Africa, and 2 in Oceania. An additional characteristic of

---

<sup>2/</sup> The technical procedure for factor and composite scoring has been explained in Volume I of this report.

PRESEARCH INCORPORATED

TABLE 2.8  
25 TOP-SCORING COUNTRIES ON COMMERCIAL-  
DIPLOMATIC DIMENSION OF GREAT BRITAIN'S  
EXTERNAL INVOLVEMENT PROFILE

1970		1971		1972	
Country	Score	Country	Score	Country	Score
W. Germany	1.42	Singapore	1.26	W. Germany	1.38
U.S.	1.19	W. Germany	1.24	Singapore	1.01
Singapore	1.15	U.S.	1.09	U.S.	0.89
Malta	1.10	Zambia	0.84	Zambia	0.71
Zambia	0.63	Malta	0.82	Swaziland	0.65
UAE	0.60	India	0.70	Cyprus	0.61
Swaziland	0.56	Ireland	0.60	Malta	0.60
India	0.48	Malawi	0.52	Ireland	0.59
Cyprus	0.46	Nigeria	0.50	Australia	0.57
Nigeria	0.45	Cyprus	0.49	Kenya	0.57
Australia	0.44	Botswana	0.49	India	0.54
Kenya	0.41	Kenya	0.47	UAE	0.50
Kuwait	0.37	Swaziland	0.47	Nigeria	0.49
Malaysia	0.36	Canada	0.40	France	0.47
France	0.33	Uganda	0.34	Botswana	0.46
Guyana	0.33	Netherlands	0.33	Netherlands	0.38
Botswana	0.31	France	0.33	Gambia	0.37
Ireland	0.26	Australia	0.28	Malawi	0.31
Malawi	0.25	Gambia	0.27	Uganda	0.30
Netherlands	0.25	UAE	0.27	New Zealand	0.29
Iceland	0.25	Sri Lanka	0.25	Mauritius	0.26
Gambia	0.23	Ghana	0.21	Guyana	0.24
Uganda	0.22	Mauritius	0.21	Belgium	0.23
Canada	0.21	Malaysia	0.20	Italy	0.21
New Zealand	0.18	New Zealand	0.19	Kuwait	0.20

PRESEARCH INCORPORATED

TABLE 2.9  
25 TOP-SCORING COUNTRIES ON AGGREGATE MEASURE OF GREAT  
BRITAIN'S EXTERNAL INVOLVEMENT

1970		1971		1972	
Country	Score	Country	Score	Country	Score
U.S.	6.48	U.S.	6.15	U.S.	5.88
W. Germany	2.52	W. Germany	3.41	W. Germany	3.71
France	2.21	Canada	2.84	France	2.64
Australia	1.99	France	2.48	Canada	2.61
Netherlands	1.80	Netherlands	1.93	Netherlands	1.95
Canada	1.70	Australia	1.82	Belgium	1.77
Belgium	1.43	Belgium	1.64	Australia	1.65
Italy	1.39	Italy	1.49	Italy	1.57
India	1.08	Ireland	1.37	Ireland	1.36
Sweden	0.99	India	1.21	India	1.24
Denmark	0.97	Sweden	0.93	Spain	1.15
Ireland	0.81	Denmark	0.93	Denmark	0.90
Norway	0.64	Spain	0.83	Sweden	0.90
New Zealand	0.63	New Zealand	0.67	Switzerland	0.85
Nigeria	0.54	Norway	0.56	New Zealand	0.83
Japan	0.45	Switzerland	0.54	Norway	0.56
Switzerland	0.41	Nigeria	0.52	Japan	0.52
Pakistan	0.40	Japan	0.44	Nigeria	0.52
Spain	0.34	Pakistan	0.41	Austria	0.38
Greece	0.34	Greece	0.34	Greece	0.36
Turkey	0.25	Austria	0.28	Iran	0.29
Austria	0.21	Turkey	0.24	Turkey	0.27
Finland	0.20	Iran	0.24	Pakistan	0.19
Malaysia	0.15	Finland	0.17	Finland	0.13
Iran	0.13	Malaysia	0.13	Portugal	0.12

the country ordering is that the five highest scoring nations in both 1971 and 1972 (U.S., West Germany, France, Canada, and the Netherlands) all border on the North Atlantic Ocean, thereby underlining the economic incentive for British membership in the North Atlantic Alliance.

2.20 A comparison of Great Britain's commercial-diplomatic relationships with the U.S. and Western Europe from 1970 to 1972 reveals a relative decline in the U.S. relationship in contrast to an appreciable increase in Great Britain's European involvement. While the U.S. score declined from 6.48 in 1970 to 5.88 in 1972, the West German, French, Dutch, Belgian, and Italian scores had a steady and significant growth. Great Britain's accession to the European Economic Community in 1973 seems to have merely formalized the growing "Europeanization" of its international commerce and political priorities.

2.21 A strong British commercial role in Subsaharan Black Africa continues to be evident only in Nigeria, where the Anglo-Dutch Shell company maintains important petroleum investments. British ties with the remainder of its formerly very extensive African holdings seem to be based less on important economic interests than on old loyalties and post-colonial development obligations.

2.22 Particularly surprising is the absence of a single Latin American nation among the 25 top-scoring countries. Prior to World War II, Great Britain vied with the U.S. as Latin America's foremost trading partner and investor. Postwar economic decline apparently forced British private investors to repatriate many of their Latin American holdings.

Composite Scoring Results

2.23 The aggregate scoring results for the top 25 nations have been displayed in Table 2.9. Since the scores are based on the simultaneous use of both the primary and their derived (e.g., per capita) indicators, they should be interpreted with caution. Their main purpose is to attempt to embrace in a single index both the relative volume and intensity of the various manifestations of British external involvement. For example, the unusually high ranking of Singapore in Table 2.8 results primarily from the very high British profile in relation to the city-state's low population figure. Thus, even though the absolute size of Great Britain's involvement in Singapore as compared with the U.S., for example, is low, its high value in proportion to the small size of Singapore may distort the perception held by both Great Britain and Singapore of the latter's "objective" importance.

2.24 Compared with the country listing in Table 2.8, one of the outstanding features of the composite scoring results is the diminished importance of Western Europe when placed in the context of the full range of Great Britain's external involvements. The significance of Great Britain's role as an important donor of economic and military assistance is reflected in the high composite scores of such countries as Swaziland, Cyprus, Malta, Malawi, and Kenya. Many of Great Britain's former Subsaharan African colonies rely heavily on annual British subsidies to balance their nations' budgets, which, in conjunction with the presence of large numbers of British managerial and advisory personnel, should assure Great Britain of a significant political leverage.

2.25 The high and moderately high scoring positions of the United Arab Emirates (UAE) and Kuwait demonstrate that despite Great Britain's military withdrawal "east of Suez," it maintains a high commercial and political profile in the Persian Gulf. Also, the high composite scoring results for the Indian Ocean peripheral countries (Singapore, Australia, Kenya, India, New Zealand, and Mauritius) are indicative of a continuing British concern with the stability and security of the Indian Ocean, despite formal military withdrawal.

#### CONCLUDING PROPOSITIONS

2.26 Based on the preceding analysis of 3 years of empirical data, the following general propositions regarding Great Britain's external involvement are indicated:

- Great Britain's primary commercial-diplomatic interests are located around the North Atlantic Ocean, i.e., the U.S., Canada, Ireland, and the Western European nations. Outside these two areas, principal British commercial-diplomatic assets are found in Australia, India, New Zealand, Japan, and Nigeria.
- Outside its primary commercial-diplomatic involvement with the industrial world, British overseas activities are concentrated almost exclusively in the Commonwealth nations.
- The level of British involvement in Latin America is insignificant compared to the remainder of the international system.

PRESEARCH INCORPORATED

- Despite military withdrawal "east of Suez," Britain continues to maintain a high political and commercial profile in Kuwait, the United Arab Emirates, Iran, Malaysia, and Singapore, and along the Indian Ocean periphery in general.
- While Great Britain's commercial interests in Western Europe are high in absolute terms, its overall market share is comparatively small.
- British trade dominance in the smaller Sub-Saharan African nations and that area's dependence on British development funding and expertise indicate the retention of significant amounts of British policy leverage.
- Commercial interests appear to be the prime motivating factor in Great Britain's foreign policy behavior.

### III. JAPANESE PROFILE

#### GENERAL

3.1 This section examines the results of the R-factor analysis and simple structure orthogonal rotation that were used to define the empirical profile of Japan's overseas interests, as they were employed to analyze manifest British interests. Specifically, this technique compressed 23 discrete manifestations (variables) of Japan's observable involvement in 135 countries into a limited number of distinct interest dimensions of functionally interrelated activities.

3.2 Four years of data (1969-1972) were analyzed. The purpose of time-series analysis was two-fold. First, the study team wanted to examine the relative stability, or "cohesiveness," of the structure of Japan's manifest interest across time. Secondly, it was hoped that 4 years of data might allow the study team to identify potential trends in the network of Japanese overseas activities.

#### OBSERVATIONS ON JAPAN'S INTERNATIONAL ROLE

3.3 Observers of Japanese foreign policy continue to express surprise at Tokyo's apparent reticence at assuming political and military responsibilities commensurate with its status



as the third largest economic power in the world. The legacy of defeat and occupation, long-term dependence on the U.S. for both economic prosperity and security, and what the former editor of the Japan Times, Kazushige Hirasawa, termed "the sense of impotence which flows from the postwar constitutional decision to remain perpetually a nonmilitary nation" are used to explain Japan's position as an "economic giant" but "political dwarf." <sup>1/</sup> Even among the most cautious Japanese, the opinion appears to be that Japan cannot continue to rely on the U.S. for its diplomatic cues and military protection while its initiatives remain concerned solely with the problems and issues of economic growth and prosperity.

3.4 Few responsible Japanese officials have been as blunt as Prime Minister Tanaka's Minister of Trade and Industry, Nakasone, who, speaking of Japan's future role in East Asia, declared in 1970 that "there will...be established such economic relations between these nations that they will find it impossible to maintain themselves if they are alienated from our country," and that, therefore, "Japan will have to formalize a larger-scale political plan...." <sup>2/</sup> There is, however, a consensus of opinion that Japan's continued economic prosperity will require greater political self-reliance. Increasingly, discussions of Japan's role in the world make

---

<sup>1/</sup> Kazushige Hirasawa, "Japan's Emerging Foreign Policy," Foreign Affairs, Volume 54, No. 1, October 1975, p. 170.

<sup>2/</sup> Jiyu Shimpō, Organ of the Liberal Democratic Party, 17 February 1970. Cited in Ralph N. Clough, East Asia and U.S. Security, Washington, D.C., The Brookings Institution, 1975, p. 8.

reference to a "new realism" in Japan's foreign policy--an awareness that Japan's security, economic security in particular, is ultimately Japan's responsibility (and problem), which may be compromised if left to the goodwill of and the perceived mutuality of interests with the U.S. Instead of reacting to others' initiatives, Japanese political leaders have become acutely aware of the need for initiating action.

3.5 An expanding political and, possibly, military role is consequently a very real alternative for Japan's future. At present, Japan still maintains an ostensible separation between politics and trade, although the petroleum embargo in the winter of 1973-1974 brought home the harsh reality that the two are inseparable. As the impact of the Arab petroleum embargo began to ripple through Japan's economy, the Japanese government felt itself forced to make a choice. If it broke diplomatic relations with Israel to have its oil supply restored, it would antagonize its main ally, the U.S. If it failed to meet the Arab demands, it would face economic strangulation. Japan chose a secure petroleum supply despite U.S. displeasure. Subsequently, Japan has taken several important political actions in the oil-rich Middle East, including the granting of very large credits to Egypt, Syria, and, especially, Iraq. The available evidence points towards a slow but certain trend toward Japanese political self-assertiveness in the international areas. Whether the Japanese will find that there is a limit to the role of diplomacy that is not backed by military strength (just as they have come to realize the inseparability of economics and international politics) remains an important question.

## PRESEARCH INCORPORATED

3.6 The following analysis of Japan's external involvement in the international system was conceived as a preliminary attempt to identify the most likely areas of expanding Japanese political responsibility--not only in the country's traditional sphere of economic preeminence, i.e., East and South-east Asia, but also in the Middle East, Western Europe, and Latin America. A number of astute commentators on Japan's political future have argued convincingly that East and South-east Asia encompass too limited an area for the dynamic economic and political growth of contemporary Japan. <sup>3/</sup>

### DATA

3.7 Twelve primary and ten derived indicators were used to operationalize the various manifestations of Japan's external involvement abroad. <sup>4/</sup> They included:

- Annual number of government personnel abroad: GOVPERS
- Annual number of nonmilitary technical advisers abroad: ECOADVS
- Annual number of residents abroad: RESIDTS
- Annual number of development aid volunteers abroad: VOLUNTR

---

<sup>3/</sup> See, for example, Curt Gasteyger, ed., Japan and the Atlantic World, Paris, The Atlantic Institute, 1972.

<sup>4/</sup> Data sources are listed in Volume I of this report.

PRESEARCH INCORPORATED

- Aggregate number of diplomatic bilateral and multilateral international treaties in force: PACTS
- Aggregate number of military bilateral and multilateral international treaties in force: MILPACT
- Annual book value of direct private investments abroad: INVEST
- Annual dollar value of imports: IMPORT
- Annual dollar value of exports: EXPORT
- Annual value of delivered arms sales: ARMS
- Annual value of development loans and grants: ECOAID
- Annual number of tourists abroad: TOURIST
- Annual number of government personnel per capita of the host country's population: GOVCAP
- Annual number of nonmilitary technical advisers per capita of the host country's population: ADVCAP
- Annual number of residents per capita of the host country's population: RESCAP
- Annual number of development aid volunteers per capita of the host country's population: VOLCAP

## PRESEARCH INCORPORATED

- Annual book value of direct private investments per capita of the host country's population: INVCAP
- Annual value of imports divided by the value of the recipient country's worldwide exports: PERIMP
- Annual value of exports divided by the value of the sending country's worldwide imports: PERIMP
- Annual value of delivered arms sales per capita of the recipient country's population: ARMCAP
- Annual value of development loans and grants per capita of the recipient country's population: AIDCAP
- Annual number of tourists abroad per capita of the host country's population: TOURCAP.

3.8 The total of 22 indicators was selected as a reasonably representative sample of a possible universe of Japanese external activities. Throughout the study, a conscientious effort was made to seek a balanced distribution among political, economic, and military measures of a major actor's manifest external interests. For obvious reasons, it proved impossible to identify all but the most rudimentary indicators of Japanese military involvement. Except for some individual deliveries to the Philippines and Thailand, Japan does not engage in a systematic security assistance program. In addition, the Japanese constitution prevents the placement of Japanese

military forces outside the national boundaries. With these limitations, the study team was compelled to restrict the number of military indicators to the aggregate number of military treaties in force (primarily with the U.S.) and the dollar value of Japanese overseas arms sales, which, parenthetically, are quite small compared with the U.S. or even Great Britain.

#### CORRELATION MATRICES

3.9 Tables 3.1 through 3.4 display the coefficients of correlation between each pair of variables in the data. The matrices provide an initial insight into the interrelationships that exist among the 22 selected measures of Japan's external involvement; the higher the value of the coefficient, the greater the cohesiveness between the two particular indicators.

3.10 The correlation matrices indicate that during the time frame examined (1969-1972), the various components of Japan's external involvement maintained a series of highly consistent relationships. The most obvious perturbation that took place between two variables was in the relationship between Japan's overseas development assistance program and the worldwide distribution of resident nationals; a nonrelationship of -0.01 or -0.02 from 1969 to 1971 had suddenly developed into a moderately strong, positive association with a coefficient of 0.50. The apparent anomalous character of this occurrence was due almost entirely to a sudden high level (\$178.6 million) of development assistance to Brazil, which, coincidentally, also hosts the world's largest overseas community of Japanese nationals (146,308 in 1972, as compared with the second largest number, 81,541, in the U.S.).

PRESEARCH INCORPORATED

TABLE 3.1  
MATRIX OF PRODUCT-MOMENT CORRELATIONS FOR SELECTED INDICATORS OF  
JAPANESE EXTERNAL INVOLVEMENT IN 1969  
(N = 135)

Indicator	Indicator																					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1. GOVPRS	1.00																					
2. EQUADVS	0.36	1.00																				
3. RESIDTS	0.52	0.07	1.00																			
4. VOLUNTR	0.21	0.18	-0.03	1.00																		
5. PACTS	0.69	-0.20	0.30	0.10	1.00																	
6. MILPACT	0.77	-0.02	0.40	0.01	0.54	1.00																
7. INTEST	0.76	0.17	0.63	-0.02	0.51	0.80	1.00															
8. IMPORT	0.77	0.06	-0.40	0.02	0.55	0.92	0.83	1.00														
9. EXPORT	0.79	0.10	0.42	0.00	0.55	0.96	0.80	0.94	1.00													
10. ARIS	0.00	0.03	0.01	0.00	-0.00	-0.02	0.02	-0.01	-0.02	1.00												
11. EQUAD	0.19	0.53	-0.02	0.23	0.23	-0.01	0.14	0.08	0.10	0.21	1.00											
12. TOURIST	0.59	0.19	0.20	-0.02	0.46	0.51	0.41	0.51	0.58	-0.03	0.06	1.00										
13. GOVCAP	0.19	0.10	0.00	0.17	0.11	0.01	0.14	0.06	0.04	-0.03	-0.01	0.12	1.00									
14. ADVCAP	0.05	0.30	-0.02	0.13	-0.07	-0.03	-0.03	-0.03	-0.01	-0.01	0.03	0.03	0.11	1.00								
15. RESCAP	0.22	0.02	0.51	-0.03	0.14	0.07	0.30	0.10	0.09	0.08	-0.04	0.05	0.36	2.00	1.00							
16. VOLCAP	0.07	0.09	-0.02	0.72	0.01	-0.01	-0.03	-0.03	-0.02	-0.01	-0.01	-0.03	0.26	0.18	-0.00	1.00						
17. INVCAP	0.02	-0.03	0.00	-0.02	-0.04	0.00	0.26	0.07	0.02	-0.02	-0.02	0.00	0.52	-0.02	0.24	-0.01	1.00					
18. PERIMP	0.24	0.58	0.01	0.15	0.01	0.07	0.16	0.14	0.21	0.11	0.40	0.25	0.14	0.14	0.05	0.11	0.11	1.00				
19. PEREXP	0.11	0.27	0.00	0.07	-0.02	0.03	0.15	0.19	0.09	0.06	0.26	0.04	-0.01	-0.00	-0.00	-0.04	0.07	0.42	1.00			
20. ARICAP	0.00	0.00	0.02	-0.01	0.01	-0.02	0.06	0.01	-0.02	0.93	0.15	-0.04	-0.03	-0.01	0.13	-0.02	0.01	0.06	0.09	1.00		
21. AUCAP	0.14	0.28	-0.02	0.10	0.06	-0.01	0.04	0.03	0.10	0.21	0.54	0.10	0.30	0.12	0.06	-0.01	0.02	0.35	0.14	0.15	1.00	
22. TOURCAP	0.20	0.12	-0.01	-0.03	0.12	0.02	0.10	0.07	0.12	-0.03	0.02	0.57	0.30	0.08	0.12	-0.01	0.24	0.02	-0.04	0.45	1.00	

PRESEARCH INCORPORATED

TABLE 3.2  
MATRIX OF PRODUCT-MOMENT CORRELATIONS FOR SELECTED INDICATORS OF  
JAPANESE EXTERNAL INVOLVEMENT IN 1970  
(N = 135)

Indicator	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1. COYERS	1.00																					
2. LLOJNS	0.35	1.00																				
3. RESLOTS	0.49	0.09	1.00																			
4. VOLUNTR	0.25	0.29	-0.03	1.00																		
5. PACTS	0.71	0.20	0.27	0.11	1.00																	
6. MILPACT	0.78	-0.02	0.33	0.01	0.55	1.00																
7. INVLST	0.76	0.22	0.49	-0.00	0.53	0.74	1.00															
8. INPORT	0.80	0.09	0.35	0.04	0.57	0.93	0.77	1.00														
9. EXFORT	0.80	0.08	0.35	0.00	0.56	0.96	0.73	0.95	1.00													
10. AP'IS	0.01	-0.01	-0.01	-0.02	-0.02	-0.01	-0.03	-0.02	-0.02	1.00												
11. ECOAID	0.19	0.59	-0.02	0.19	0.22	-0.02	0.13	0.08	0.09	0.06	1.00											
12. TOURIST	0.63	0.14	0.20	-0.03	0.51	0.59	0.42	0.59	0.66	-0.02	0.08	1.00										
13. GOVAP	0.18	0.11	0.00	0.15	0.11	0.01	0.13	0.05	0.04	-0.02	0.00	0.11	1.00									
14. AMCAP	-0.01	0.09	-0.02	0.04	-0.12	-0.03	0.01	-0.02	-0.01	-0.01	0.01	-0.00	0.14	1.00								
15. RESCAP	0.23	0.07	0.54	-0.04	0.14	-0.06	0.26	0.10	0.09	-0.02	-0.03	0.06	0.38	0.05	1.00							
16. VOLCAP	0.10	0.16	-0.02	0.67	0.00	-0.02	-0.03	-0.01	-0.02	-0.02	-0.01	-0.04	0.28	0.08	-0.01	1.00						
17. INVCAP	0.04	0.03	0.00	-0.02	-0.02	0.01	0.24	0.07	0.02	-0.01	-0.01	0.01	0.51	0.15	0.26	-0.01	1.00					
18. PERINP	0.24	0.53	0.02	0.16	0.06	0.08	0.16	0.16	0.22	0.15	0.38	0.23	0.11	0.00	0.06	0.07	0.09	1.00				
19. PEREXP	0.16	0.41	0.02	0.17	0.02	0.05	0.18	0.22	0.11	0.01	0.33	0.05	-0.02	-0.03	0.02	0.00	0.09	0.53	1.00			
20. ARVCAP	-0.02	-0.01	-0.02	-0.03	-0.01	-0.02	-0.03	-0.03	-0.02	0.04	0.04	-0.03	-0.04	0.01	-0.03	-0.02	-0.01	0.10	0.02	1.00		
21. ALICAP	0.09	0.22	-0.01	0.03	0.00	-0.02	0.03	0.02	0.09	0.03	0.37	0.10	0.35	0.15	0.11	-0.01	0.04	0.25	0.10	0.02	1.00	
22. TOURCAP	0.21	0.15	-0.00	-0.04	0.14	0.03	0.08	0.07	0.13	-0.02	0.06	0.55	0.47	0.12	0.13	-0.04	0.18	0.22	0.01	-0.03	0.55	1.00



PRESEARCH INCORPORATED

TABLE 3.3  
MATRIX OF PRODUCT-MOMENT CORRELATIONS FOR SELECTED INDICATORS OF  
JAPANESE EXTERNAL INVOLVEMENT IN 1971  
(N = 135)

Indicator	Indicator																					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1. COVPRS	1.00																					
2. ECOADVS	0.25	1.00																				
3. RESLUTS	0.39	0.10	1.00																			
4. VOLINTR	0.22	0.25	-0.03	1.00																		
5. PACTS	0.71	0.19	0.24	0.09	1.00																	
6. MILPACT	0.82	-0.02	0.26	0.00	0.55	1.00																
7. INVEST	0.78	0.26	0.50	-0.01	0.54	0.77	1.00															
8. IMPORT	0.84	0.14	0.26	0.04	0.57	0.89	0.81	1.00														
9. EXPORT	0.84	0.08	0.28	0.00	0.56	0.96	0.77	0.93	1.00													
10. ARMS	0.06	0.65	-0.01	-0.03	0.14	-0.02	0.21	0.11	0.04	1.00												
11. ECOAID	0.15	0.77	0.01	0.16	0.20	-0.01	0.21	0.13	0.10	0.65	1.00											
12. TOURIST	0.78	0.09	0.21	-0.01	0.58	0.76	0.54	0.72	0.79	0.92	0.14	1.00										
13. GOV'CAP	0.18	0.06	-0.00	0.15	0.11	0.02	0.12	0.08	0.04	-0.03	-0.03	0.12	1.00									
14. AID'CAP	0.07	0.31	-0.01	0.17	-0.06	-0.05	0.02	-0.02	0.02	0.02	0.09	0.05	0.42	1.00								
15. RESCAP	0.21	0.11	0.60	-0.03	0.14	0.05	0.28	0.09	0.08	-0.03	-0.03	0.05	0.39	0.34	1.00							
16. VOLCAP	0.09	0.10	-0.02	0.70	-0.01	-0.02	-0.03	-0.02	-0.02	-0.03	0.01	-0.03	0.26	0.26	-0.01	1.00						
17. INCAP	0.05	-0.00	0.01	-0.02	-0.01	0.02	0.22	0.11	0.03	-0.01	-0.01	-0.00	0.56	0.12	0.27	-0.01	1.00					
18. PERIMP	0.17	0.48	0.02	0.14	0.04	0.07	0.17	0.19	0.20	0.18	0.42	0.10	-0.07	0.18	0.05	0.08	0.08	1.00				
19. PEREXP	0.12	0.44	0.00	0.11	0.02	0.03	0.18	0.24	0.09	0.27	0.39	0.03	-0.02	0.06	-0.02	-0.02	0.09	0.58	1.00			
20. AR'CAP	-0.04	-0.00	-0.02	-0.03	-0.01	-0.02	-0.02	-0.02	-0.02	0.29	0.02	-0.02	-0.04	-0.04	-0.03	-0.02	-0.01	-0.06	-0.04	1.00		
21. AIDCAP	0.11	0.51	-0.01	0.21	0.15	-0.02	0.09	0.07	0.11	0.26	0.78	0.17	0.11	0.31	0.02	0.26	-0.00	0.47	0.27	-0.00	1.00	
22. TOURCAP	0.23	0.10	-0.01	-0.02	0.15	0.05	0.04	0.07	0.11	-0.02	0.04	0.39	0.46	0.55	0.12	-0.03	0.05	0.06	-0.03	-0.02	0.16	1.00

PRESEARCH INCORPORATED

TABLE 3.4  
MATRIX OF PRODUCT-MOMENT CORRELATIONS FOR SELECTED INDICATORS OF  
JAPANESE EXTERNAL INVOLVEMENT IN 1972  
(N = 135)

Indicator	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1. COMERS	1.00																					
2. ECDAYS	0.37	1.00																				
3. RESIDUS	0.53	0.11	1.00																			
4. VOLUNTR	0.24	0.36	-0.03	1.00																		
5. PACTS	0.70	0.19	0.34	0.07	1.00																	
6. MILPACT	0.79	-0.02	0.46	0.01	0.55	1.00																
7. INVEST	0.70	0.21	0.53	-0.02	0.51	0.69	1.00															
8. IMPORT	0.82	0.16	0.45	0.01	0.57	0.88	0.70	1.00														
9. EXPORT	0.83	0.06	0.50	-0.01	0.57	0.96	0.69	0.92	1.00													
10. ARS	-0.02	-0.04	-0.02	-0.03	0.11	0.06	0.01	-0.01	-0.01	1.00												
11. ECOMID	0.31	0.70	0.50	0.19	0.25	-0.02	-0.25	0.10	0.05	-0.03	1.00											
12. TOURIST	0.73	0.10	0.35	-0.00	0.58	0.73	0.46	0.68	0.77	-0.02	0.10	1.00										
13. GOVCAP	-0.20	0.09	0.00	0.17	0.11	0.02	0.08	0.09	0.05	0.05	-0.03	0.14	1.00									
14. ARVCAP	0.14	0.35	-0.01	0.33	-0.03	-0.05	0.03	0.00	0.02	-0.04	0.11	0.08	0.53	1.00								
15. RESCAP	0.24	0.10	0.55	-0.04	0.18	0.10	0.23	0.13	0.14	0.00	0.32	0.11	0.35	0.28	1.00							
16. VOLCAP	0.10	0.16	-0.03	0.72	-0.03	-0.02	-0.03	-0.03	-0.03	-0.03	0.01	-0.02	0.27	0.42	-0.02	1.00						
17. INVCAP	0.07	0.01	0.02	-0.02	0.00	0.03	0.22	0.14	0.05	0.07	-0.01	0.02	0.55	0.25	0.14	-0.02	1.00					
18. PERIMP	0.21	0.46	0.04	0.15	0.02	0.08	0.15	0.21	0.18	0.00	0.32	0.14	0.08	0.22	0.05	0.05	0.12	1.00				
19. PEREXP	0.17	0.49	0.00	0.12	0.05	0.04	0.14	0.25	0.09	0.05	0.35	0.03	0.01	0.11	-0.02	-0.01	0.12	0.57	1.00			
20. ARMCAP	-0.01	-0.03	-0.01	-0.03	0.10	0.06	0.01	0.01	-0.00	0.96	-0.03	-0.02	0.06	-0.04	0.01	-0.02	0.07	0.02	0.04	1.00		
21. AIDCAP	0.17	0.42	0.19	0.23	0.13	-0.03	0.08	0.01	0.01	-0.02	0.59	0.10	0.22	0.38	0.57	0.25	0.00	0.24	-0.02	0.02	1.00	
22. TOURCAP	0.20	0.09	0.00	0.01	0.18	-0.03	0.04	0.06	0.11	0.01	0.00	0.41	0.49	0.57	0.18	0.02	0.12	0.08	-0.05	0.02	0.11	1.00

3.11 The Japanese data associations generally resemble those that were uncovered among the various manifestations of British overseas involvement. As shown in Table 3.5, Japan, like Great Britain, tends to concentrate its government personnel in areas of important commercial interest. As in Great Britain and the U.S., the location of Japan's overseas direct private investments coincides with the important trading partners, i.e., the industrialized nations. This coincidence contradicts the claim that the industrialized countries concentrate their investments in the developing countries to take advantage of cheap labor and resources.

TABLE 3.5  
RELATIONSHIP BETWEEN THREE SELECTED INDICATORS  
OF JAPANESE AND BRITISH COMMERCIAL INTERESTS  
AND THE DEPLOYMENT OF GOVERNMENT PERSONNEL

Personnel	Value of Imports			Value of Exports			Value of Investments		
	Year			Year			Year		
	1970	1971	1972	1970	1971	1972	1970	1971	1972
Japanese, government	0.80	0.84	0.82	0.80	0.84	0.83	0.76	0.78	0.70
British, diplomatic	0.66	0.66	0.70	0.68	0.71	0.76	0.68	0.61	0.65

3.12 The strong link between the indicators of Japan's foreign economic interests (i.e., imports, exports, and investments) and the two main measures of the country's overseas political involvement (i.e., overseas government personnel and treaties in force) indicates that the ostensible separation between politics and trade has little substance, at least on the institutionalized diplomatic level. No apparent

relationship exists between the flow of Japanese economic aid and the worldwide distribution of Japan's substantive commercial interests. Unlike the U.S. and British profiles, there is only a moderate relationship between the direction of Japan's development assistance and those countries whose international trade is highly dependent on Japanese imports and exports. The very low coefficients throughout all four matrices for foreign arms sales confirm that this activity does not yet have much importance within the overall framework of Japan's manifest external interests.

#### FACTOR MATRICES

3.13 The next step in the analysis was to take the correlation results in Tables 3.1 through 3.4 and compute their intercorrelations. This process is the essence of factor analysis. The geometric rather than statistical quality of factor analysis becomes evident when the variable correlation coefficients are visualized as individual vector points in  $n^{\text{th}}$  space, with the angular distance between two vectors measuring the relationship between two variables--the smaller the angle, the stronger the relationship. <sup>5/</sup> Variables strongly related to one another will thus be represented as a cohesive bundle of vectors. The strength of this cohesiveness is measured by projecting an axis through each bundle of vectors, which, as Rummel has observed, is "analogous to giving each vector point in a cluster a mass of one and letting

---

<sup>5/</sup> The correlation coefficient between two variables is the cosine of the angle between two variables plotted as vectors.

the factor axes fall through their center of gravity. <sup>6/</sup> Each factor axis delineates, therefore, a distinct cluster of vectors, whose "character" is determined by the nature of the particular variables involved. The projection of each vector on the factor axes (called "loading") measures the particular variable's contribution toward defining this character.

3.14 The factor analysis itself routinely involves two distinct products: the unrotated factor matrix, which defines a series of factor axes (dimensions, components) that order decreasing amounts of variation in the data (i.e., the factors are successively less comprehensive), and the rotated matrix, which delineates distinct clusters of functionally interrelated data. Since the orthogonally related matrix is the focus of the current analysis, the unrotated factor products have not been included in this report.

3.15 Tables 3.6 through 3.9 display the orthogonally rotated factor solutions for the selected Japanese external involvement data across the years 1969 through 1972. Factor loadings equal to or greater than 0.50 have been placed in parentheses, because they are the foci of the factor interpretation.

3.16 Prior to interpretation of the factors, it is useful to consider the characteristics of specific variables as they relate to each other by examining the communality ( $h^2$ ) values for each. The communality figures portray the amount of variation each variable has in common with all the others,

---

<sup>6/</sup> Rudolph J. Rummel, "Understanding Factor Analysis," Journal of Conflict Resolution, Vol. 11, No. 4, December 1967, p. 458.

## PRESEARCH INCORPORATED

TABLE 3.6

FINAL ROTATED FACTOR MATRIX OF MANIFEST JAPANESE  
INTEREST DATA IN 1969\*

Indicator	Factor						Communality
	1	2	3	4	5	6	
GOVPERS	(0.880)	0.210	-0.012	0.088	0.150	0.118	0.862
ECOADVS	0.105	(0.796)	-0.081	0.058	0.187	-0.005	0.889
RESIDTS	(0.532)	0.031	0.021	-0.301	(0.054)	-0.491	0.819
VOLUNTR	0.053	0.123	0.030	-0.046	(0.891)	-0.046	0.816
PACTS	(0.698)	0.051	0.033	0.104	0.081	-0.032	0.510
MILPACT	(0.942)	-0.076	-0.010	-0.019	-0.029	-0.026	0.895
INVEST	(0.849)	0.127	0.022	-0.074	-0.070	0.350	0.870
IMPORT	(0.927)	0.050	-0.002	-0.007	-0.048	0.037	0.866
EXPORT	(0.944)	0.064	-0.018	0.064	-0.046	-0.016	0.903
ARMS	-0.011	0.076	(0.971)	0.013	-0.020	0.008	0.949
ECOAID	0.076	(0.736)	0.218	0.051	0.094	-0.136	0.625
TOURIST	(0.627)	0.061	-0.066	(0.531)	-0.057	-0.121	0.702
GOVCAP	0.007	-0.005	-0.036	(0.583)	0.299	(0.596)	0.786
ADVCAP	-0.048	0.211	-0.079	0.095	0.314	0.008	0.161
RESCAP	0.138	0.015	0.111	-0.059	-0.014	(0.800)	0.675
VOLCAP	0.004	-0.059	0.006	-0.009	(0.915)	0.037	0.842
INVCAP	-0.039	0.000	-0.049	0.279	-0.035	(0.655)	0.512
PERIMP	0.097	(0.757)	0.005	0.188	0.095	0.065	0.631
PEREXP	0.047	(0.617)	-0.003	-0.125	-0.106	0.078	0.116
ARMCAP	-0.003	0.046	(0.962)	-0.020	-0.030	0.056	0.933
AIDCAP	-0.001	0.495	0.242	(0.516)	0.043	0.008	0.571
TOURCAP	0.100	0.074	-0.047	(0.890)	-0.031	0.155	0.836

\* Loadings  $\geq 0.50$  are in parentheses.

PRESEARCH INCORPORATED

TABLE 3.7  
FINAL ROTATED FACTOR MATRIX OF MANIFEST JAPANESE  
INTEREST DATA IN 1970\*

Indicator	Factor						Communality
	1	2	3	4	5	6	
GOVPERS	(0.887)	0.208	0.056	0.001	0.164	0.179	0.891
ECOADVS	0.088	(0.802)	0.093	-0.049	0.198	0.066	0.706
RESIDTS	0.401	0.039	-0.193	-0.011	-0.069	(0.638)	0.611
VOLUNTR	0.051	0.221	-0.001	-0.027	(0.873)	-0.061	0.819
PACTS	(0.712)	0.095	0.021	-0.014	0.071	0.034	0.522
MILPACT	(0.944)	-0.075	-0.075	0.009	-0.011	0.020	0.902
INVEST	(0.782)	0.145	-0.047	-0.019	-0.028	0.368	0.770
IMPORT	(0.931)	0.071	-0.054	-0.007	-0.008	0.073	0.881
EXPORT	(0.951)	0.050	0.018	0.003	-0.046	0.009	0.910
ARMS	-0.012	0.049	0.000	(0.958)	-0.012	-0.011	0.921
ECO Aid	0.057	(0.761)	0.077	0.010	0.007	-0.101	0.598
TOURIST	(0.736)	0.045	0.362	-0.027	-0.110	-0.174	0.717
GOVCAP	0.031	-0.044	(0.712)	-0.012	0.281	0.413	0.760
ADVCAP	-0.060	-0.026	0.307	0.006	0.117	0.099	0.122
RESCAP	0.082	0.024	0.141	-0.022	-0.041	(0.833)	0.724
VOLCAP	-0.003	-0.014	0.080	-0.002	(0.909)	-0.006	0.832
INVCAP	-0.029	-0.014	0.379	0.009	0.022	(0.534)	0.430
PERIMP	0.125	(0.740)	0.171	0.135	0.024	0.012	0.611
PEREXP	0.062	(0.723)	-0.101	-0.008	0.001	0.080	0.543
ARMCAP	-0.019	0.026	-0.011	(0.956)	-0.016	-0.014	0.915
AIDCAP	0.008	0.330	(0.672)	0.018	-0.107	-0.051	0.574
TOURCAP	0.177	0.080	(0.862)	-0.034	-0.137	-0.070	0.805

\* Loadings  $\geq 0.50$  are in parentheses.

PRESEARCH INCORPORATED

TABLE 3.8  
FINAL ROTATED FACTOR MATRIX OF MANIFEST JAPANESE  
INTEREST DATA IN 1971\*

Indicator	Factor						Communality
	1	2	3	4	5	6	
GOVPERS	(0.916)	0.093	0.099	0.156	0.169	0.013	0.911
ECOADVS	0.080	(0.871)	0.091	0.121	0.127	0.017	0.805
RESIDTS	0.303	0.014	-0.131	0.019	(0.766)	-0.122	0.711
VOLUNTR	0.041	0.128	0.022	(0.895)	-0.020	0.059	0.824
PACTS	(0.705)	0.138	0.049	0.054	0.094	-0.192	0.567
MILPACT	(0.948)	-0.094	-0.062	-0.012	0.012	0.064	0.916
INVEST	(0.794)	0.176	-0.054	-0.049	0.392	0.109	0.832
IMPORT	(0.921)	0.076	-0.045	-0.029	0.073	0.178	0.894
EXPORT	(0.956)	0.025	0.001	-0.026	0.015	0.092	0.923
ARMS	0.032	(0.761)	-0.069	-0.147	0.082	-0.289	0.697
ECO AID	0.086	(0.916)	0.007	0.028	-0.053	-0.019	0.850
TOURIST	(0.857)	0.039	0.240	-0.061	-0.123	-0.060	0.816
GOVCAP	0.039	-0.059	(0.743)	0.141	0.297	0.220	0.714
ADVCAP	-0.049	0.188	(0.750)	0.197	0.101	0.035	0.651
RESCAP	0.049	0.004	0.238	-0.012	(0.848)	0.021	0.805
VOLCAP	-0.022	0.024	0.122	(0.905)	0.006	0.019	0.836
INVCAP	-0.019	-0.067	0.332	-0.121	0.390	0.472	0.503
PERIMP	0.105	(0.565)	0.046	0.056	-0.043	(0.570)	0.662
PEREXP	0.065	(0.543)	-0.124	-0.044	-0.014	(0.587)	0.661
ARMCAP	-0.030	0.159	-0.026	-0.087	0.062	-0.492	0.280
AIDCAP	0.063	(0.696)	0.239	0.242	-0.123	0.071	0.624
TOURCAP	0.173	0.045	(0.842)	-0.114	-0.144	-0.121	0.789

\* Loading >0.50 are in parentheses.



PRESEARCH INCORPORATED

TABLE 3.9  
FINAL ROTATED FACTOR MATRIX OF MANIFEST JAPANESE  
INTEREST DATA IN 1972\*

Indicator	Factor						Communality
	1	2	3	4	5	6	
GOVPERS	(0.894)	0.161	0.091	-0.026	0.190	0.178	0.902
ECOADVS	0.087	(0.718)	0.020	-0.046	0.349	0.299	0.737
RESIDTS	(0.528)	-0.084	-0.104	-0.020	(0.633)	-0.118	0.711
VOLUNTR	0.033	0.163	0.015	-0.008	0.035	(0.887)	0.816
PACTS	(0.698)	-0.003	0.007	0.123	0.198	0.062	0.546
MILPACT	(0.949)	-0.049	-0.030	0.041	-0.062	-0.012	0.910
INVEST	(0.762)	0.138	0.039	0.000	0.185	-0.106	0.646
IMPORT	(0.921)	0.175	0.041	-0.004	-0.041	-0.048	0.884
EXPORT	(0.961)	0.034	0.030	-0.032	-0.023	-0.030	0.928
ARMS	0.014	0.004	0.019	(0.988)	-0.009	-0.015	0.977
ECOAID	0.090	(0.507)	-0.153	-0.020	(0.729)	0.080	0.826
TOURIST	(0.810)	-0.007	0.187	-0.055	0.007	0.021	0.694
GOVCAP	0.054	-0.021	(0.856)	0.059	0.109	0.141	0.772
ADVCAP	-0.041	0.159	(0.711)	-0.073	0.186	0.406	0.737
RESCAP	0.127	-0.134	0.311	0.010	(0.800)	-0.116	0.785
VOLCAP	-0.017	-0.028	0.132	-0.007	0.008	(0.889)	0.810
INVCAP	0.048	0.173	(0.626)	0.079	-0.066	-0.219	0.483
PERIMP	0.109	(0.789)	0.138	-0.007	0.007	0.014	0.654
PEREXP	0.067	(0.850)	0.008	0.049	0.000	-0.027	0.730
ARMCAP	0.017	0.008	0.028	(0.987)	-0.012	-0.011	0.975
AIDCAP	-0.031	0.259	0.165	-0.012	(0.724)	0.255	0.685
TOURCAP	0.127	-0.062	(0.716)	-0.033	0.057	0.054	0.540

\* Loadings >0.50 are in parentheses.

i.e., they indicate the "relative uniqueness" of a variable in relation to the others. Inspection of the values for the 4 years studied shows that the communalities for most variables are moderate to quite high, indicating that they are closely related to one another. This finding strengthens the argument that the factors are substantially meaningful. In 1969 and 1970, the variable "Advisers per Capita" demonstrated an unusually low communality (0.16 and 0.12, respectively), suggesting that it was unique and unrelated to the others in those 2 years. Its improved communality value in 1971 and 1972 (0.65 and 0.74, respectively) indicates a closer connection than there had been earlier between the per capita distribution of Japanese development advisory personnel and other forms of external involvement.

3.17 Examination of the unrotated factor solutions for the 4 years (not shown here) indicated that 71% to 76% (71%, 71%, 74%, and 76% annually) of the total possible variation throughout the data is accounted for by the six patterns presented. This high percentage of variation among all the variables implies a marked interrelatedness among the data. It signifies that different forms of Japan's manifest interest abroad tend to co-occur and that discrete types of Japanese external involvement may be described with a few basic dimensions.

3.18 The substantive meaning of the orthogonal factor solutions in Tables 3.6 and 3.9, respectively, is that six clusters of variables have been separated into discrete dimensions of Japanese external interests as manifested in the observable overseas activities of the country's private and public institutions. The factor loadings may be read as

correlation coefficients and as such describe the statistical contribution of the variables to the factors (dimensions). High loadings ( $\geq |0.50|$ ) denote the character of a particular factor, i.e., they may be interpreted as dimensional descriptors, and they allow the researcher to assign generic labels to each of the factors.

3.19 Inspection of the four orthogonal factor solutions revealed an overall appearance of uniformity or stability. The data indicated that there was not a single major realignment among the variables and that only a few movements occurred between factors by some of the minor variables. In 1970, the variable "Residents" had lost its principal association with the main indicators of Japanese external commercial involvement (trade and investment) and instead had realigned with its per capita derivative and the value of Japanese overseas investments per capita.

3.20 The statistical association between the absolute and proportionate (to the host country's population) numbers of Japanese residents abroad was maintained through 1971 and 1972, although a realignment with general commercial activities appeared to be taking place in 1972.

3.21 The shifting location and statistical loading of the "Resident" variable--although minor in itself--is curiously different from the behavior of its U.S. counterpart, which indicated a strong and consistent relationship between the geographic distribution of U.S. overseas residents and the principal centers of commercial activity. The difference may relate to the fact that unlike many of his American

colleagues, the Japanese businessman does not tend to spend many years abroad overseeing his commercial ventures.

3.22 The strongest and most consistent network of variables was found in the first factor and was labeled Commercial-Diplomatic Involvement. The particular variables and their respective loadings that are contained in this factor closely resemble the previously uncovered British commercial profile. Like the British but unlike the U.S. and Soviet patterns, Japan's commercial interests are associated with geographic deployment of its government personnel. This similarity between the two island nations, both of which (unlike the U.S. and the Soviet Union) are vitally dependent on foreign trade and overseas resources, affirms the predominance of economic (as opposed to purely geo-military) considerations in Japan's and Britain's foreign policies. Moreover, in the case of Japan, the strong link between external government activity and overseas commerce throws significant doubt on Japan's self-professed separation of trade and politics. Instead, the data demonstrate that Japan's diplomatic profile is developed most highly in those areas where it maintains large interests in trade and investment.

3.23 The second factor reflects the relationship between economic penetration and aid-giving that was found in the U.S. data. Like the U.S., Japan concentrates its development aid programs in countries that are highly dependent on Japanese trade. Unlike the U.S., however, the distribution of Japanese technical advisory personnel is also associated with areas of Japanese commercial penetration. In the U.S., no relationship was found to exist between the geographic apportionment of the Agency for International Development

## PRESEARCH INCORPORATED

(AID) personnel and the dollar value of the agency's aid programs. The presence of Japanese development experts in countries that are already highly penetrated by Japanese commercial interests is likely to solidify even further Tokyo's economic weight. The second dimension was labeled Aid and Trade Penetration.

3.24 The third most important factor (in 1972) was composed of the per capita derivatives of the number of Japanese government personnel, development advisers, and tourists abroad. Prior to 1971, the variable "Advisers per Capita" failed to load on any of the six factors, due to its extremely low communality figure. Substantively, the significant upward change in the communality of this variable may indicate that the assignment of development advisory personnel has become more deliberate and more closely attuned to other forms of Japanese external interests. The label Public Visibility was assigned to the third factor.

3.25 With the exception of the year 1971, the absolute and per capita values of Japanese foreign arms sales formed a discrete factor, thereby proving the uniqueness of this involvement. While allowing for the very small volume of Japanese military exports, the factor's separate loading indicates the lack of a commercial motivation. In addition, Japan's arms exports do not appear to be prompted by a concern with the security of its development aid recipients, as might be suggested initially by the variable loadings in the second factor in 1971. Inspection of the original source data revealed the limited scale of Japanese arms exports in dollar value and in the number of recipient countries. It might be concluded that Japan's foreign military sales program is

a unique activity, since it is virtually nonexistent. No descriptive label was assigned to this particular factor.

3.26 As was the case with arms sales, the absolute and per capita values of the number of Japanese development volunteers abroad joined into a single dimension of presumably altruistic Japanese aid-giving. The fact that two variables consistently failed to align with the traditional indicators of a country's external aid performance (i.e., grants, credits, and technical advisory personnel) suggests that different motivations or objectives underlie the sending of volunteers. The identity of the receiving countries involved will hopefully shed additional light on this possibility. No discrete explanatory label was assigned.

#### DIMENSIONAL AND COMPOSITE SCORING RESULTS

3.27 Having defined the dimensional structure of the various discrete measures of Japan's manifest external involvement, the next step in the analysis was to evaluate the relationship of the 135 countries included in the study to the six individual dimensions. Since the procedure that has been followed to factor- and composite-score the countries has been explained in detail in Volume I of this report, it has been excluded in the present analysis.

##### Dimensional Scoring Results

3.28 Tables 3.10 and 3.11 represent the scoring results for the top 25 countries on two of the most interesting dimensions of Japan's external interest profile. The first dimension is labeled Commercial-Diplomatic Involvement, and the second

TABLE 3.10  
25 TOP-SCORING COUNTRIES ON COMMERCIAL-DIPLOMATIC DIMENSION  
OF JAPAN'S EXTERNAL INVOLVEMENT PROFILE

1969		1970		1971		1972	
Country	Score	Country	Score	Country	Score	Country	Score
U.S.	9.52	U.S.	9.14	U.S.	9.32	U.S.	9.53
Brazil	2.02	Great Britain	1.87	Great Britain	1.63	Great Britain	1.92
Great Britain	1.58	Australia	1.42	Australia	1.56	Brazil	1.65
Australia	1.34	W. Germany	1.26	W. Germany	1.35	Australia	1.39
Thailand	1.24	Canada	1.19	Canada	1.18	W. Germany	1.25
W. Germany	1.20	Italy	1.18	Italy	1.15	Canada	1.15
Philippines	1.14	Philippines	1.10	Taiwan	1.05	Taiwan	1.04
Canada	1.10	Taiwan	1.08	Philippines	0.97	Italy	1.03
Italy	1.09	Thailand	1.06	Indonesia	0.94	S. Korea	0.98
Taiwan	1.01	Brazil	0.92	Brazil	0.89	Indonesia	0.95
Switzerland	0.67	Switzerland	0.74	Switzerland	0.85	Thailand	0.93
Indonesia	0.66	Indonesia	0.73	Thailand	0.83	Philippines	0.86
India	0.58	India	0.60	S. Korea	0.71	Switzerland	0.77

TABLE 3.10 (Cont)

1969		1970		1971		1972	
Country	Score	Country	Score	Country	Score	Country	Score
France	0.53	S. Korea	0.55	France	0.70	France	0.73
S. Korea	0.48	France	0.54	India	0.56	India	0.51
Kuwait	0.32	Netherlands	0.40	Iran	0.45	Iran	0.41
Iran	0.29	Iran	0.28	Netherlands	0.40	Netherlands	0.39
Saudi Arabia	0.28	Malaysia	0.28	Malaysia	0.26	Malaysia	0.33
Malaysia	0.27	New Zealand	0.22	New Zealand	0.25	Saudi Arabia	0.26
New Zealand	0.24	S. Africa	0.21	Singapore	0.22	Singapore	0.24
Netherlands	0.22	Kuwait	0.19	S. Africa	0.20	Denmark	0.23
Mexico	0.21	Singapore	0.19	Saudi Arabia	0.18	New Zealand	0.21
S. Africa	0.21	Pakistan	0.17	Kuwait	0.17	S. Africa	0.16
Argentina	0.20	Saudi Arabia	0.17	Spain	0.13	Argentina	0.12
Pakistan	0.18	Mexico	0.14	Austria	0.11	Spain	0.10



TABLE 3.11  
25 TOP-SCORING COUNTRIES ON AID AND TRADE PENETRATION DIMENSION  
OF JAPAN'S EXTERNAL INVOLVEMENT PROFILE

1969		1970		1971		1972	
Country	Score	Country	Score	Country	Score	Country	Score
Indonesia	3.88	Indonesia	5.25	Indonesia	8.02	Indonesia	4.23
S. Korea	3.59	S. Korea	3.68	S. Korea	5.33	Philippines	2.43
Thailand	2.88	Philippines	2.97	Philippines	2.92	S. Korea	2.13
Philippines	2.82	Thailand	2.92	Thailand	1.84	Thailand	2.13
Cambodia	2.11	Pakistan	2.01	Taiwan	1.54	Burma	1.33
Taiwan	1.73	Taiwan	1.71	S. Vietnam	1.13	S. Vietnam	1.26
Pakistan	1.51	India	1.50	India	0.99	Brazil	1.21
Burma	1.17	Iran	1.22	Burma	0.89	India	1.08
India	1.15	Singapore	0.99	Singapore	0.80	Taiwan	1.00
Swaziland	1.08	S. Vietnam	0.96	Laos	0.79	Iran	0.91
S. Vietnam	0.85	Malaysia	0.94	Peru	0.76	Malaysia	0.90
Malaysia	0.85	Cambodia	0.90	UAE	0.56	Peru	0.70
Iran	0.82	UAE	0.86	Cambodia	0.52	UAE	0.68
UAE	0.61	China	0.80	Iran	0.48	Cambodia	0.68
China	0.56	Swaziland	0.73	Malaysia	0.42	China	0.65

PRESEARCH INCORPORATED

TABLE 3.11 (Cont)

1969		1970		1971		1972	
Country	Score	Country	Score	Country	Score	Country	Score
Singapore	0.35	Burma	0.68	China	0.34	Australia	0.59
Australia	0.33	Saudi Arabia	0.51	Sri Lanka	0.32	Swaziland	0.55
Laos	0.29	Australia	0.48	Mexico	0.30	Pakistan	0.48
Sri Lanka	0.28	Ethiopia	0.38	Swaziland	0.26	Singapore	0.44
Saudi Arabia	0.28	Bolivia	0.38	Turkey	0.25	Saudi Arabia	0.44
Kuwait	0.24	Kuwait	0.38	Australia	0.20	Panama	0.38
Uganda	0.23	Zambia	0.33	N. Yemen	0.13	Oman	0.35
Zambia	0.23	Ecuador	0.32	Saudi Arabia	0.12	S. Yemen	0.34
Botswana	0.21	Kenya	0.31	Brazil	0.11	Kuwait	0.31
Peru	0.18	Peru	0.26	Zambia	0.10	Ethiopia	0.30

dimension is Aid and Trade Penetration. Four successive years of scoring results have been displayed to highlight the dynamics of Japan's external involvement over time.

### Interpretation

3.29 Probably the most outstanding characteristic of the 4 years of scoring results in Table 3.10 is the extreme outlying position of the U.S. The reason for the value is that the U.S. accounts for approximately one-third of Japan's imports and exports. <sup>7/</sup>

3.30 In 1972, the foremost Asian country from the Japanese commercial-diplomatic perspective was Taiwan, followed closely by South Korea, Indonesia, Thailand, and the Philippines. Of the four, South Korea and Indonesia appear to have undergone the most dynamic growth in Japanese involvement, as shown by their 1969-1972 scores (0.48, -0.55, -0.71, and 0.98 and 0.66, -0.73, -0.94, -0.95, respectively). The Philippines, on the other hand, seems to have gone through a slow decline in its relative importance as a Japanese commercial-diplomatic partner. The main reason for this occurrence seems to be that the growth in Japanese-Philippine trade simply has not kept pace with Japan's worldwide trade expansion. Whereas the total dollar value of Japan's imports and exports for the 135 countries studied rose by 69%, from \$29 billion to

---

<sup>7/</sup> Harry G. Gelber, "Towards a New Balance of Power in Asia," Wayne Wilcox, Leo E. Rose, and Gavin Boyd, eds., Asia and the International System, Cambridge, Mass., Winthrop Publishers, 1972, p. 331.

over \$49 billion, trade with the Philippines actually declined by 1.6%, from \$944 million to \$929 million. Also, in terms of direct private investments, the book value of Japanese investments in the Philippines has grown substantially more slowly (although significantly, if considered in isolation) than it has on an aggregate worldwide basis. Although the total value of Japan's investments in the 135 countries increased by 182%, from \$2,248 billion to \$6,353 billion, investments in the Philippines rose by 97%, from almost \$45 million to \$88 million. By comparison, Japanese investments in Australia and Indonesia jumped from \$91 million to \$307 million and from \$193 million to \$473 million, respectively, or by 238% and 145%. The most spectacular rise in the book value of Japan's overseas private investment position took place in South Korea, however, where a total value of about \$15 million in 1969 expanded to almost \$207 million in 1972, or by 1,208%. The normalization of South Korean-Japanese diplomatic relations may have been the prime impetus for Japanese business to expand its direct stake in the South Korean economy.

3.31 Table 3.10 shows the geographic diversion of Japan's main commercial-diplomatic interests. Of the countries listed over the 4 years, 7 are located in East and Southeast Asia (Taiwan, South Korea, Indonesia, Thailand, the Philippines, Malaysia, and Singapore), 6 or 7 in Western Europe (Great Britain, West Germany, Italy, Switzerland, France, the Netherlands, and Denmark), 3 to 5 in South Asia and the Middle East (India, Iran, Saudi Arabia, Kuwait, and Pakistan), 2 or 3 in Latin America (Brazil, Argentina, and Mexico), 2 in North America (the U.S. and Canada), and 1 in Africa (South Africa), and Australia. Clearly, Japan's commercial-diplomatic

involvement is worldwide. While some of the Asian countries may perceive Japan as the dominating factor in their economies, the proportionate distribution of Japan's external involvement indicates that, from the Japanese perspective, Tokyo's economic presence in Asia is not disproportionately high. In fact, the top six countries of proportionate Japanese commercial-diplomatic involvement from 1970 to 1972 were non-Asian nations: U.S., Great Britain, Brazil, Australia, West Germany, and Canada.

3.32 Table 3.11 displays the top 25 countries on Japan's Aid and Trade Penetration dimension. Japan's economic profile (as perceived by the target nations) is most evident in Asia. Of the 25 nations listed, 17 to 19 are Asian countries, about 12 of which are located in the area east of the Middle East. Interestingly, the five countries in Table 3.10 (Taiwan, South Korea, Indonesia, Thailand, and the Philippines) occur generally in the top five positions in Table 3.11 as well. This may be because Japan and the five Asian nations share a perception of each other's importance. Just as the scores in Table 3.10 measure Japan's perception of the countries' commercial-diplomatic importance, so the rank-ordering in Table 3.11 is a reflection of Japan's commercial weight relative to those countries' worldwide participation in international economic affairs.

3.33 Outside Asia, the principal countries that are characterized by a high Japanese economic profile include Brazil, Peru, Australia, Swaziland, Panama, and Ethiopia. All of these are either important Japanese aid recipients or have trade substantially dominated by Japanese imports and exports.

3.34 The one Asian country that outranks all other nations as a target of Japanese economic penetration is Indonesia. Indonesia has consistently been a foremost recipient of Japanese economic grants and credits (used primarily to finance exploration of Indonesia's petroleum wealth), and its international trade has traditionally been focused on Japan.

3.35 Brazil has become an important Japanese aid recipient only recently. In 1972, Japan committed more development funds (\$178.6 million) to Brazil than to any other nation. It is not unreasonable to speculate that Brazil's mineral wealth, the presence of the largest Japanese community outside Japan, a growth in Japanese investments from \$261 million in 1969 to \$569 million in 1972 (or 9% of Japan's investments worldwide), and a booming trade relationship that jumped by 140% (from \$269 million in 1969 to \$645 million in 1972) have played important roles in Tokyo's sudden largesse to Brazil.

3.36 The appearance of Iran, the United Arab Emirates (UAE), Saudi Arabia, Oman, and Kuwait among the top 25 targets of Japanese aid and trade penetration is accounted for exclusively by Japan's position as one of the most important customers of Persian Gulf petroleum. Japan's economic dependence on the area is reflected in a Japanese regional trade deficit of \$2,435 billion.

3.37 The importance of Japan in the People's Republic of China's (PRC's) world trade is evident from the latter's relatively high, although somewhat fluctuating, score. In 1972, for example, one-fifth of China's total volume of imports

plus exports was derived from or destined to Japan. <sup>8/</sup>  
 Parenthetically, Japan takes a proportionately greater share  
 of the PRC's exports than it does of Taiwan's.

#### COMPOSITE SCORES

3.38 Table 3.12 depicts the 25 top-ranking countries across all six dimensions of the Japanese external involvement profile. The scores measure the relative apportionment of all 22 selected indicators of the Japanese manifest interest combined into one simple index. Moreover, the scores comprise the absolute and proportionate (e.g., per capita) indicators of the Japanese interest; they represent a single expression of the absolute value of the Japanese presence and its value relative to a country's size.

3.39 One of the outstanding features of the composite scoring results in Table 3.12 is the consistently very high rating of the U.S. The leading position of the U.S. confirms that Tokyo's relationship with Washington, whether economic, military, or diplomatic, truly dominates Japan's external policy. The outlying score of the U.S., in contrast with the merely high score of Japan on the U.S. scale of interests (0.73 in 1973), shows the different perceptions the two allies frequently have of their relationship. While U.S. policymakers tend to view Japan as another (albeit very important) ally among several allies (e.g., Canada and West Germany), the Japanese consider their relationship with the U.S. as unique and crucial to their welfare. This discrepancy in the one

---

<sup>8/</sup> The total dollar value of the PRC's trade in 1972 was \$5,920 billion, \$1,167 billion of which was accounted for by Japan.

TABLE 3.12  
25 TOP-SCORING COUNTRIES ON COMPOSITE INDICATOR  
OF JAPAN'S EXTERNAL INVOLVEMENT

1969		1970		1971		1972	
Country	Score	Country	Score	Country	Score	Country	Score
U.S.	2.64	U.S.	2.55	U.S.	2.70	U.S.	2.78
Singapore	1.09	Singapore	1.31	Indonesia	1.64	Singapore	1.80
Taiwan	1.05	Taiwan	0.99	Singapore	1.51	Brazil	1.37
Kuwait	1.02	Philippines	0.97	S. Korea	1.25	Philippines	1.13
Philippines	0.99	Burma	0.92	Philippines	1.14	Indonesia	1.06
Burma	0.93	Switzerland	0.83	Taiwan	0.97	Switzerland	1.03
Laos	0.91	Indonesia	0.82	Switzerland	0.95	S. Korea	1.01
Switzerland	0.84	Kuwait	0.78	Brazil	0.86	Taiwan	1.00
Thailand	0.82	Brazil	0.76	Laos	0.85	Malaysia	0.92
S. Korea	0.74	S. Korea	0.73	Thailand	0.73	Laos	0.90
Brazil	0.69	Thailand	0.69	Malaysia	0.68	Thailand	0.78
Peru	0.68	Laos	0.66	Australia	0.60	Kuwait	0.61



PRESEARCH INCORPORATED

TABLE 3.12 (Cont)

1969		1970		1971		1972	
Country	Score	Country	Score	Country	Score	Country	Score
Indonesia	0.66	Malaysia	0.55	India	0.43	Australia	0.54
Australia	0.46	Australia	0.49	Kuwait	0.38	Paraguay	0.50
W. Germany	0.41	India	0.45	Paraguay	0.37	Peru	0.45
India	0.40	Great Britain	0.40	W. Germany	0.34	India	0.44
Italy	0.39	W. Germany	0.33	Great Britain	0.31	Great Britain	0.43
Cambodia	0.38	Canada	0.31	Canada	0.30	Denmark	0.40
Paraguay	0.33	Italy	0.31	Italy	0.28	Canada	0.34
Great Britain	0.32	Paraguay	0.28	Tanzania	0.26	Burma	0.33
Canada	0.29	Pakistan	0.26	Iran	0.25	W. Germany	0.32
Malaysia	0.28	Tanzania	0.24	Peru	0.21	Italy	0.25
Tanzania	0.22	Iran	0.18	S. Vietnam	0.20	Kenya	0.22
Iceland	0.21	Liberia	0.17	Kenya	0.18	S. Vietnam	0.20
Chile	0.20	Kenya	0.16	N. Vietnam	0.15	Iran	0.20

country's estimate of its importance to the other frequently has resulted in different expectations and in misunderstandings. Japan's dismay over the U.S. failure to at least inform it of President Nixon's visit to China (the so-called "Nixon Shokku") is a prime example of this difference in perception.

3.40 Regionally, the composite scores demonstrate that Japan's manifest interests are concentrated principally in Asia. Not only do the 4 years of data indicate a general trend toward a proportional increase in the flow of Japanese resources in this area, but Asia as a whole tends to rank higher from the Japanese perspective than any other major international actor. A comparative listing of U.S. and Japanese 1972 composite scores in Asia (Table 3.13), for example, shows that of the 27 countries listed, only five (Bangladesh, Israel, Jordan, Turkey, and South Vietnam) scored higher on the U.S. interest scale than they did on the Japanese counterpart. The reason for the comparatively high U.S. scores in the five countries is well known. In 1972, the U.S. became Bangladesh's prime aid benefactor, and Israel, Jordan, and Turkey have traditionally been part of the so-called "forward defense" countries and have accordingly been among the principal recipients of U.S. economic and military assistance. Finally, the South Vietnamese score in 1972 reflects the U.S. military commitment at the time.

3.41 Whereas the U.S. relationship with the five Asian nations rests essentially on a "narrow" donor-recipient tradition (with the exception of Israel, where cultural ties reinforce the link with the U.S.), the Japanese stake in Asia and Australia is based on a diversified network of aid, trade,

PRESEARCH INCORPORATED

TABLE 3.13  
COMPARATIVE U.S.-JAPANESE COMPOSITE  
SCORE IN AUSTRALASIA IN 1972

Country	Score	
	U.S.	Japan
Afghanistan	-0.20	-0.10
Australia	0.10	0.54
Bangladesh	0.06	-0.14
Burma	-0.33	0.33
Cambodia	-0.06	0.06
India	0.39	0.44
Indonesia	-0.01	1.07
Iraq	-0.36	-0.19
Israel	0.70	-0.15
Jordan	-0.07	-0.22
Korea, South	0.25	1.01
Kuwait	-0.33	0.61
Lebanon	-0.16	0.04
Malaysia	-0.22	0.92
New Zealand	-0.16	1.13
Pakistan	-0.02	0.13
Philippines	0.38	1.13
Saudi Arabia	-0.21	0.13
Singapore	-0.18	1.80
Sri Lanka	-0.25	0.00
Syria	-0.38	-0.14
Taiwan	-0.02	0.23
Thailand	0.13	0.78
Turkey	0.11	-0.18
Vietnam, South	1.97	-0.20

investment, tourist flows, and diplomatic interaction, closely resembling the U.S. relationship with Western Europe, Latin America, and Japan. Lacking in Japan's Asian connection is, of course, the military element. The disproportionately high level of evident Japanese interest in East and Southeast Asia and in the Persian Gulf, compared with that of the U.S., strengthens the argument for an enlarged Japanese security responsibility in the region.

3.42 The assymetrical scoring results between the U.S. and Japan in the Middle Eastern countries, juxtaposed against the dominant U.S. scoring position on the Japanese manifest interest scale, provide empirical evidence of Japan's policy dilemma during the 1973 October War. While Japan had a demonstrable stake in the Arab oil-producing countries, it had little, if anything, to gain in Israel. This equation alone would have dictated Japanese support for the Arab position. The crucial importance of the U.S. made it extremely difficult, however, for Japan to criticize Washington's support for Israel. Economic imperatives prevailed, and Japan chose to break diplomatic ties with Israel.

3.43 The second most important region from the Japanese perspective is Western Europe. Among the European countries, Switzerland occupies an unusually (and increasingly) high position on the spectrum of Japan's manifest interests. Trade and a very high level of Japanese direct private investment appear to be the principal contributors to this occurrence. Other important Western European countries include (in order of importance in 1972) Great Britain, West Germany, Italy, the Netherlands, France, and Austria. The comparatively stable scores that are associated with the Western European

nations indicate a steadily growing Japanese engagement in the region, i.e., unlike some of the Southeast Asian nations (e.g., Singapore and Malaysia), which have witnessed a disproportionately rapid growth of Japanese involvement, the expansion of Tokyo's activities in Western Europe has been commensurate with the growth of its involvement worldwide.

3.44 The evident importance of some of the Latin American nations (particularly Brazil, Paraguay, and Peru) is a reflection of the multidimensional ethnic and economic contacts that exist with Japan, including very sizeable Japanese communities, large economic aid programs, Japanese dependence on Latin American raw materials, and an important bilateral trade. The rapidly growing level of Japanese involvement in Latin America is not surprising when it is realized that the continent is no farther removed from Japan than is a large part of Southeast Asia.

#### SUMMARY

3.45 The results have clearly demonstrated that Japan is an international actor of global proportions. The study has shown that, from the Japanese perspective (as measured by the proportionate geographic distribution of Japan's external involvement), non-Asia is at least as important on Japan's interest scale as the country's traditional area of diplomatic and economic predominance, i.e., East and Southeast Asia.

3.46 The results have also shown that, compared with the U.S., East and Southeast Asia are considerably more important on Japan's hierarchy of manifest interests. This discovery

PRESEARCH INCORPORATED

suggests that the U.S. has assumed a disproportionately large defense burden in the area and that the U.S. appears to carry a military role that, logically, should rest with Japan.

